

Town of Granby Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

TOWN OF GRANBY CONNECTICUT

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

Prepared by:

Administration/Finance Departments

John D. Ward
Town Manager



Kimi Cheng
Administration Finance Officer

TOWN OF GRANBY, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
JUNE 30, 2020

Introductory Section		Page
	List of Principal Officials	i
	Organizational Chart	ii
	Letter of Transmittal	iii-x
	GFOA Certificate of Achievement	xi
Financial Section		
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-18
	Basic Financial Statements	
Exhibit	Government-Wide Financial Statements:	
I	Statement of Net Position	19
II	Statement of Activities	20
	Fund Financial Statements:	
	Governmental Funds:	
III	Balance Sheet	21-22
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	23-24
	Proprietary Funds:	
V	Statement of Net Position	25
VI	Statement of Revenues, Expenses and Changes in Fund Net Position	26
VII	Statement of Cash Flows	27
	Fiduciary Funds:	
VIII	Statement of Fiduciary Net Position	28
IX	Statement of Changes in Fiduciary Net Position - Pension Trust Fund and OPEB Trust Funds	29
	Notes to the Financial Statements	30-64
	Required Supplementary Information	
	General Fund:	
RSI-1	Schedule of Revenues and Other Financing Sources - Budget and Actual	65-66
RSI-2	Schedule of Expenditures and Other Financing Uses - Budget and Actual	67-68
	Pension Trust Fund:	
RSI-3	Schedule of Changes in Net Pension Liability and Related Ratios	69
RSI-4	Schedule of Employer Contributions	70
RSI-5	Schedule of Investment Returns	71
	Teachers Retirement Plan:	
RSI-6	Schedule of the Town's Proportionate Share of the Net Pension Liability	72
	OPEB Plan:	
RSI-7	Schedule of Changes in Net OPEB Liability and Related Ratios	73
RSI-8	Schedule of Employer Contributions	74
RSI-9	Schedule of Investment Returns	75
	Teachers OPEB Plan:	
RSI-10	Schedule of the Town's Proportionate Share of the Net OPEB Liability	76

<u>Exhibit</u>		<u>Page</u>
	Supplemental, Combining and Individual Fund Statements and Schedules	
	General Fund:	
A-1	Comparative Balance Sheet	77
A-2	Combining Balance Sheet Schedule	78
A-3	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	79
A-4	Report of Tax Collector	80
	Nonmajor Governmental Funds:	
B-1	Combining Balance Sheet	81-84
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85-88
	Agency Funds:	
C-1	Combining Statement of Changes in Assets and Liabilities	89-90

Statistical Section

Table

	Financial Trends:	
1	Net Position by Component	91
2	Changes in Net Position	92
3	Fund Balances, Governmental Funds	93
4	Changes in Fund Balances, Governmental Funds	94
	Revenue Capacity:	
5	Assessed Value and Estimated Actual Value of Taxable Property	95
6	Property Tax Rates	96
7	Principal Property Taxpayers	97
8	Property Tax Levies and Collections	98
	Debt Capacity:	
9	Ratios of Outstanding Debt by Type	99
10	Statement of Debt Limitation	100
11	Legal Debt Margin Information	101
	Demographic and Economic Statistics:	
12	Demographic and Economic Statistics	102
13	Principal Employers	103
	Operating Information:	
14	Full-Time Equivalent Town Government Employees by Function/Program	104
15	Operating Indicators by Function/Program	105
16	Capital Asset Statistics by Function/Program	106



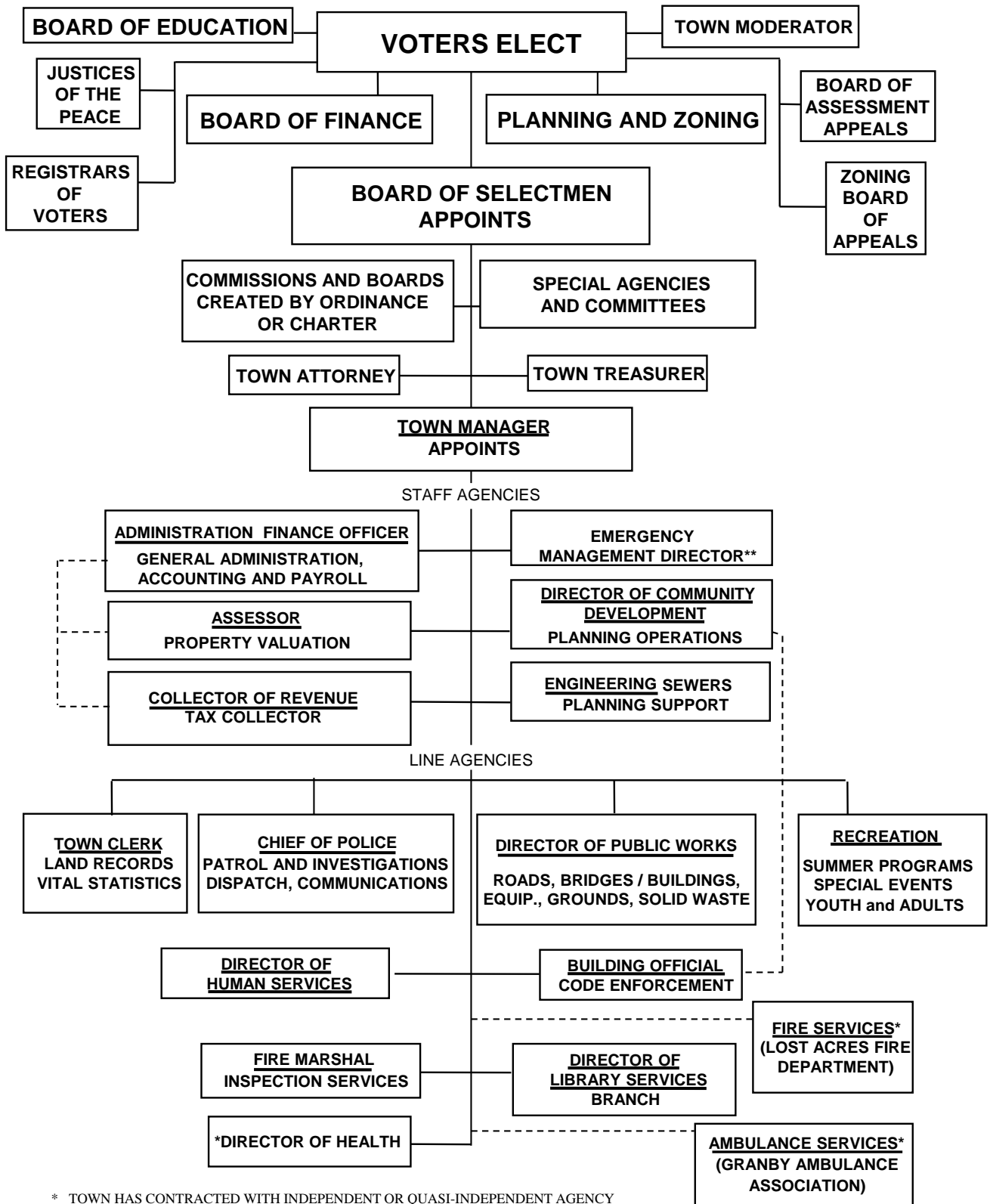
Introductory Section

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	Glenn G. Ballard	Elected	2 years
Selectman	Mark C. Neumann	Elected	2 years
Selectman	Edward E. Ohannessian	Elected	2 years
Town Manager	John D. Ward.	Appointed	Indefinite
Administration Finance Officer	Kimi Cheng	Appointed	Indefinite
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
Board of Finance - Chair	Michael B. Guarco, Jr.	Elected	4 years
Board of Education - Chair	Melissa E. Migliaccio.	Elected	4 years
Superintendent of Schools	Jordan E. Grossman, 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 2, 2020

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, 2020. 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 2019-20. 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 population of 11,375. 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 \$296,600 which is \$58,900 above the median home value in Hartford County of \$237,700. Recent sales show home sales prices ranging from \$100,000 to over \$700,000. 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 Stony Hill Village Elderly housing complex, with funding from the Town's successful \$800,000 Small Cities grant application.

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. The Planning and Zoning Commission recently approved a site plan application for the construction of 227 apartment units just north of Granby Center on Salmon Brook Street. 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, construction was recently completed at The Grand residential community, which consists of 130 apartment units in 5 separate buildings of 3 stories each; it is expected construction of the 50 single family homes in a common interest community will begin in the near future. Also within this area, is the Greenway Village apartment complex, which has 34 units. 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 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 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. The gas line was also extended 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 a national drug store, a supermarket, 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. Construction has been completed at several restaurants that received Planning and Zoning Commission approval. Grassroots is a very successful ice cream shop that has expanded to a full restaurant. At 9 Bank Street, the former McDonalds restaurant

was combined with adjacent retail space to accommodate the La Figata Italian restaurant. At 2 East Granby Road, a historic home in the Granby Center 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. Construction was also completed on a new 3,600 sq. ft. building 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 4.32% of the total assessed value on the October 1, 2018 Grand List. The Town's 2018 Grand List saw a total increase of 1.44%. This was due in great part to the start of the new 130 units Apartment Complex, The Grand at Ridgewood and the building of new homes at Copper Brook Circle along with many residents renovating their existing homes and building additions. The last revaluation was completed by the Assessor for the October 1, 2017 Grand List and the next revaluation will be effective and scheduled for the October 1, 2022 Grand List. The Town's property tax collection rate for the year ended on June 30, 2020 was \$793,277 above the budgeted amount. This represents a 102.07% tax collection rate. For Fiscal Year 2020, building permit activity fees totaled \$316,958, which was \$196,958 above the budget amount due mostly to a severe hail storm in May 2018 causing a multitude of roof and siding repairs and new home and commercial activity. Town Clerk fees for 2019-20 were \$381,657. This was an increase of \$163,301 due to an active property sales market.

As of 2018 Granby's median household income was \$121,114. This exceeded the Hartford County average of \$72,321 by \$48,793 and exceeded the state average by \$45,008. The Town's June 2020 unemployment rate of 6.4% compared favorably to the statewide average of 10.0% and the national average of 11.2%.

In March of 2020, Governor Lamont declared a State of Emergency due to Coronavirus 19 pandemic. The Town of Granby also declared a state of Emergency in March of 2020. Town Hall and several businesses in Town, along with the state, were closed to direct public access. This restriction has been gradually lifted. On April 20, 2020, the Board of Selectmen moved to lower the interest rate on late tax payments for three months from eighteen per cent per year (18%) to three percent (3%). The Town has created a Long Term Recovery Committee, chaired by former Police Chief David Watkins to assist the community in recovering from any adverse effects stemming from the pandemic.

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 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 2018-19. The town approved three major projects on June 4, 2019 for a total cost of \$25,031,000. The net cost after grants is expected to be \$10,453,462. The projects included the planning, design, construction, reconstruction, repair and resurfacing of various bridges located on Moosehorn Road, Simsbury Road, Donahue Road, Griffin Road, and Hungary Road; various school capital improvement projects including the planning, design, construction, reconstruction and repair of the science, career and technology education spaces, performing arts facilities, library-media center, kitchen facilities, athletic fields and infrastructure and systems located in schools; and a solar project which includes the installation of a ground mounted solar photovoltaic system located adjacent to the Wells Road Intermediate School. However, the solar project was eliminated in Fiscal Year 2020 due to increase in unanticipated cost and significant decrease in revenue projection. In anticipation of bonding for the approved projects, the Town will have Standards and Poor Rating Agency review its financial status. The Town should maintain its AA+ rating.

The Board of Education continues to experience declining enrollment.

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: Budget in a conservative and fiscally responsible manner that will provide services to our citizens, explore alternative methods of providing services, provide funding to meet long term capital needs in order to maintain assets, move away from capital lease borrowing and fund from the capital fund, develop a plan to increase unassigned fund balance, and expand revenue sources including but not limited to the grand list..

The Purchasing Policy provides all departments with the guidelines for purchasing goods and services from small to large purchases. A code is provided to the Finance Office that shows the department is following protocols. Individual departments keep records of their compliance with this policy.

The town's debt service policy includes establishing criteria for the issuance of debt obligations, providing consistency and continuity to public policy development through its Capital Improvement Program, and to transmit a message to investors and rating agencies of the community's commitment to financial management

The Town Charter and applicable sections of the Connecticut General Statutes govern the town's issuance of debt as it pertains to town and state mandates. With the new debt approved in June 2019 for over twenty-five million, the Town will conduct its debt management functions in a manner designed to maintain or enhance its existing credit rating.

The Town Manager adopted an investment policy for the town's defined benefit plan that outlines the goals and objectives for the plan. The document is intended to provide guidelines for managing the plan and to outline specific investment policies that will govern how the goals are achieved. This policy is used by the town and its investment firm, DiMeo Schneider & Associates, LLC.

In 2014 the Town appointed a seven member committee to explore opportunities and methods to improve Town and School District services, known as the Intra-Board Advisory Committee ("IBAC"). 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. At their meeting on February 3, 2020, the Board of Selectmen re-established IBAC.

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. Due to the unprecedented pandemic crisis, Governor Lamont adopted Executive Order No. 71 which suspended in –person budget adoption requirements for municipalities. Under Lamont's executive order, on April 6, 2020 Board of Selectmen meeting, the Board of Selectmen voted unanimously to authorize the Board of Finance to adopted a budget for Fiscal Year 2020-21 and set a mill rate for the same fiscal year on or before April 27, 2020. On April 13, 2020 Board of Finance Special meeting, the Board of Finance voted unanimously to adopt the 2020-21 Annual Town Budget .

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.

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 2019-20 Town's audit. The independent auditors' report is included in this document.

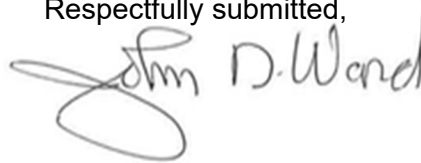
Certificate of Achievement

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 14 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, Kimi Cheng 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, looping initial "J" and a distinct "D" and "W".

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, 2019

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, 2020, 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, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and 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, 2019 (not presented herein), and have issued our report thereon dated December 19, 2019, 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, 2019 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 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 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, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020 on our consideration of the Town 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 2, 2020

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. Fund Equity, and Note 10, 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, 2020. 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 and deferred outflows of the Town of Granby exceeded its liabilities and deferred inflows at the close of the most recent year by \$57,280,126 (net position). Of this amount, \$4,362,560 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$4,669,604 up from June 30, 2019.
- As of the close of the fiscal year 2020, the Town's governmental funds reported combined ending fund balances of \$13,969,316, an increase of \$2,399,632 in comparison with the prior year. Unassigned fund balances amounted to a collective \$8,891,751, or 15.67% of total governmental funds revenues of \$56,729,519.
- At the end of the fiscal year 2020, unassigned fund balance for the general fund was \$8,927,497. Unassigned general fund balance represents 16.94% of total general fund revenues of \$52,703,779.
- The Town of Granby paid \$2,285,000 in maturing bond principal and issued no new bonds reducing our long-term debt to \$10,195,000. The Town entered into \$642,698 of new capital leases and made \$758,760 in lease payments for a year-end lease balance of \$1,997,260.

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 and deferred outflows exceeded liabilities and deferred inflows by \$57,280,126 at the close of the fiscal year 2020. By far the largest portion of the Town's net position, \$52,748,957 (92.1%) 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	
	2020	2019
Current and other assets	\$ 17,515,805	\$ 14,969,039
Capital assets, net of accumulated depreciation	<u>65,522,580</u>	<u>65,556,233</u>
Total assets	<u>83,038,385</u>	<u>80,525,272</u>
Deferred Outflow of Resources:	<u>3,628,697</u>	<u>1,278,147</u>
Long-Term Debt Outstanding	26,467,352	25,821,924
Other liabilities	<u>2,623,604</u>	<u>2,816,076</u>
Total liabilities	<u>29,090,956</u>	<u>28,638,000</u>
Deferred Inflow of Resources	<u>296,000</u>	<u>554,897</u>
Net Position:		
Net investment in capital assets	52,748,957	50,338,093
Restricted	168,609	191,022
Unrestricted	<u>4,362,560</u>	<u>2,081,407</u>
Total Net Position	<u>\$ 57,280,126</u>	<u>\$ 52,610,522</u>

A portion of the Town's net position, \$168,609 (0.29%), represents resources that are subject to external restrictions on how they may be used. An amount of \$150,595 is set aside for debt service and \$18,014 is restricted for nonexpendable trust purposes. The remaining balance of *unrestricted net position*, \$4,362,560, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the fiscal year 2020, 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 increased by \$4,669,604 from operations during the current fiscal year. There were a number of positive and negative influences on this outcome. Increasing net position were greater fund balances of \$2,399,632 (Exhibit IV) and a net reduction in outstanding debt and lease obligations of \$2,401,062. Further supplementing the positive net position increase was a net \$2,489,943 reconciling revenue reporting between funds and the statement of activities. Decreasing net position was a net \$2,722,233 reflecting a \$2,174,587 increase in OPEB liability and a \$957,543 increase in pension liability.

The Town brought in total general revenues of \$40,741,307 which exceeded its net program expenses of \$36,071,703 by the amount of the net position increase of \$4,669,604. Gross expenses of \$57,321,624 were offset by \$4,019,462 in charges for services, \$15,507,797 in operating grants and contributions, and \$1,722,662 in capital grants and contributions. The balance of the Town's total revenues of \$61,991,228 came in the form of \$39,951,952 of local property tax collections, \$112,314 of unrestricted grants and contributions, \$336,534 of unrestricted investment earnings, and \$340,507 of miscellaneous income. Of the net program expenses, \$24,445,590 was attributable to the Board of Education. Net general government expenses accounted for \$3,376,455, public safety \$2,853,097, public works and environment \$3,754,716, recreation and social services \$1,197,784, and interest on long-term debt \$444,061.

Governmental activities. Governmental activities increased the Town's net position by \$4,669,604 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	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 4,019,462	\$ 4,241,366
Operating grants and contributions	15,507,797	11,659,856
Capital grants and contributions	1,722,662	331,943
General revenues:		
Property taxes	39,951,952	38,434,304
Grants and contributions not restricted to specific purpose	112,314	131,918
Unrestricted investment earnings	336,534	341,032
Other general revenues	340,507	84,838
Total revenues	<u>61,991,228</u>	<u>55,225,257</u>
Program Expenses:		
General government	4,691,492	5,226,205
Public safety	3,093,027	3,060,766
Public works and environment	4,764,117	5,091,384
Recreation and social services	1,729,649	1,666,976
Education	42,599,278	38,325,519
Interest on long-term debt	444,061	577,267
Total program expenses	<u>57,321,624</u>	<u>53,948,117</u>
Change in Net Position	4,669,604	1,277,140
Net Position at July 1	<u>52,610,522</u>	<u>51,333,382</u>
Net Position at End of Year	<u>\$ 57,280,126</u>	<u>\$ 52,610,522</u>

On the revenue side, total revenues from the prior year increased by \$6,765,971 or 12.25%. In program revenues, charges for services were slightly less than in the previous year by \$221,904 (5.23%) comprised of a \$238,472 decline in governmental activities fees, \$288,993 less in recreation and social services which was modestly offset by \$275,395 more charged for educational services. Operating grants and contributions showed a healthy increase of \$3,847,941 driven by \$4,543,165 of improved educational grants somewhat offset by a \$651,709 drop in general government funding. Capital grants and contributions rose for general government from \$331,943 to \$1,722,662 with an added \$1,595,875 for education. In general revenues, property tax collections were up \$1,517,648 (3.95%) reflecting a healthy collection rate of 99.17% for the current year levy.

On the expense side, the overall increase of \$3,373,507 was primarily driven by increased education expenditures of \$42,559,278, an additional \$4,273,759 (11.15%) over FY 2019. The rise in education expenses was driven primarily by the State Teachers' Retirement Board on-behalf-of contribution to the teachers' pension in the amount of \$7,175,600. The Town recognizes this transaction as a revenue and an expenditure but it does not represent an actual revenue or expenditure by the Town.

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.

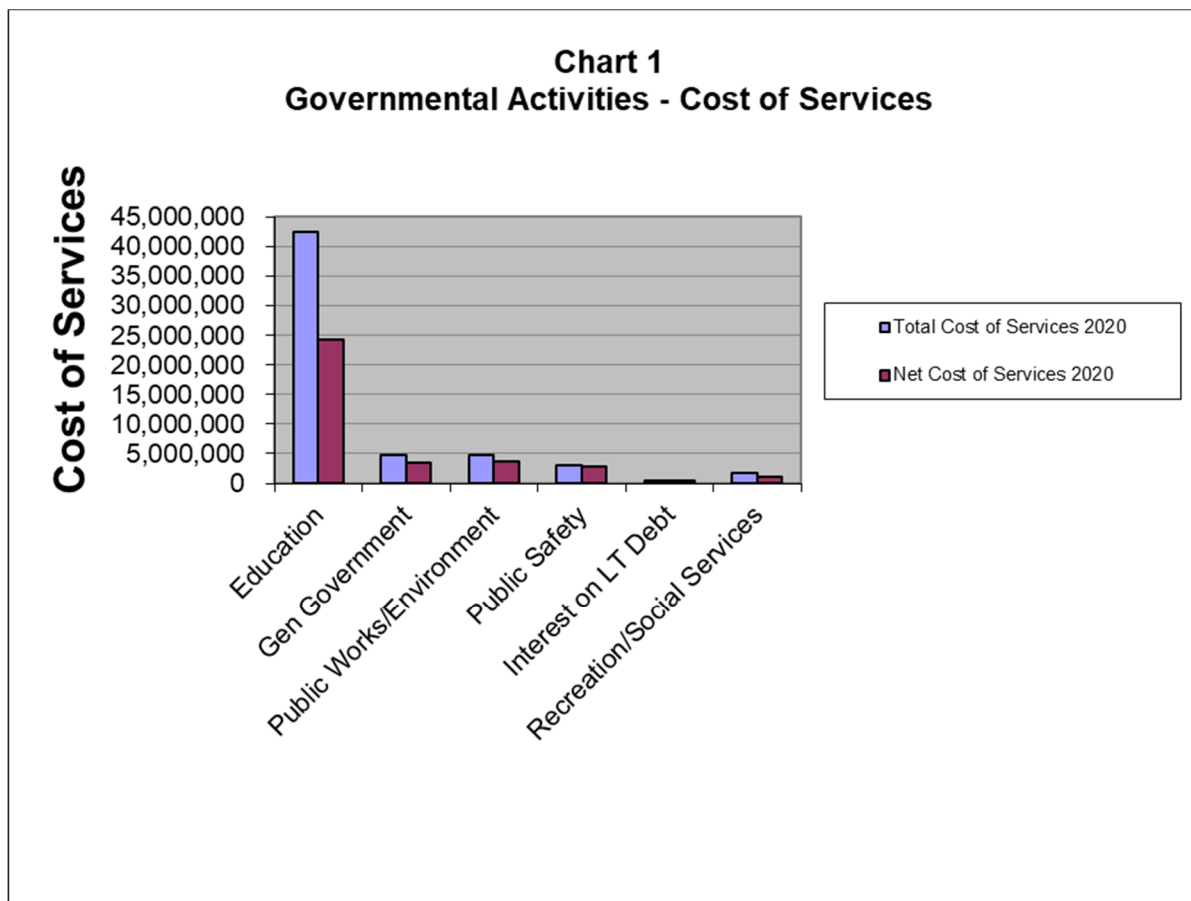
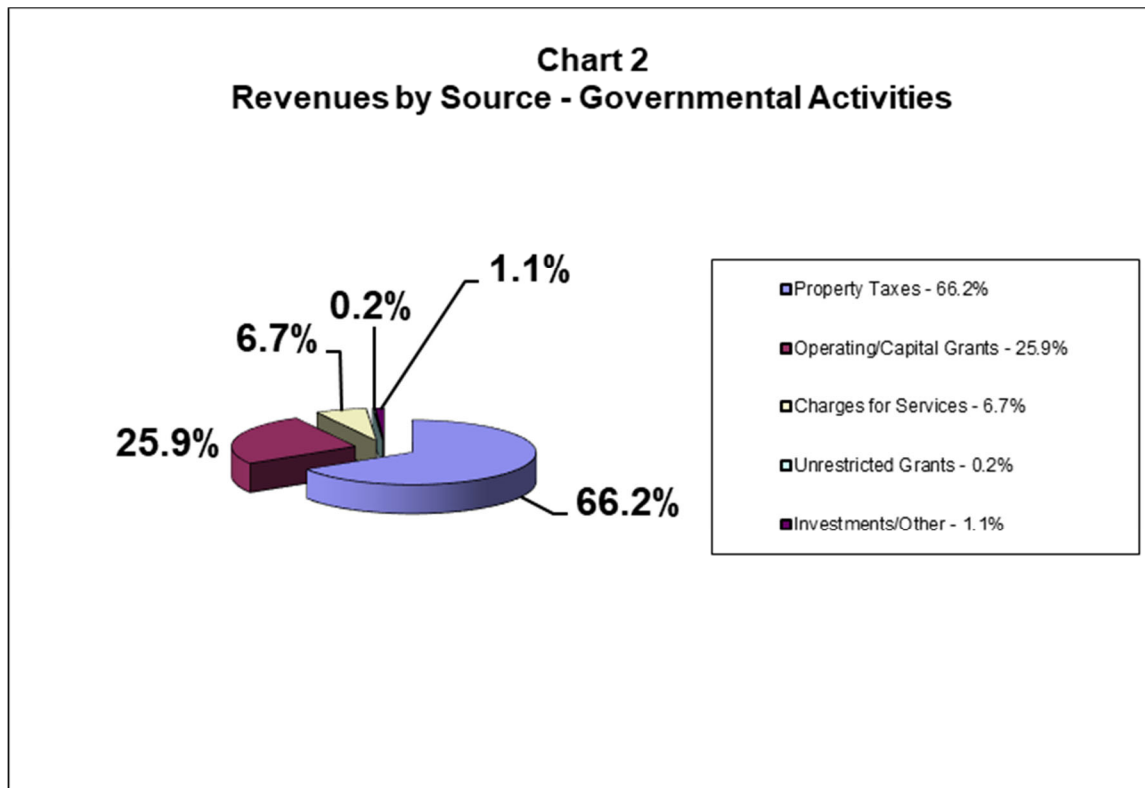


Chart 2 following indicates the sources of all Town revenues and the percentage of total Town revenue these individual revenues represent.



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 \$13,969,316, an increase of \$2,399,632 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 \$12,703,463. 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 \$18,014 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 \$1,247,839 represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments, specifically, \$150,595 for debt service and \$1,097,244 for grants.

The general fund is the chief operating fund of the Town of Granby. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$8,927,497 and total fund balance was \$9,714,611. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund revenues. Unassigned fund balance represents 16.94% of total general fund revenues of \$52,703,779 and total fund balance 18.43%.

The fund balance of the Town's general fund increased by \$3,049,377 during the current fiscal year. The Town completed the year with an operating surplus of \$4,593,540, but with net transfers out of \$1,544,163 to our capital projects fund and a variety of nonmajor special revenue funds for budgeted expenditures, the Town still improved the total general fund balance to a closing \$9,714,611.

The capital projects fund balance fell by \$486,450 to \$614,219 reflecting \$3,214,427 of capital expenditures for purchase of technology equipment for the board of education, town vehicles, BOE buses, and equipment. These expenditures were funded by \$278,867 of grants, investment earnings and other revenues, \$1,905,990 of transfers in, and \$543,120 in new capital leases.

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 \$23,257 in revenues from grants and homeowners repaying their loans and a general government outlay of \$2,280 for an operating gain of \$20,977 and a closing fund balance of \$113,362.

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 2020 year amounted to \$520,627, up \$134,853 from FY 2019, all of which is unrestricted. The total increase in net position for the fund arose due to contributions and interest of \$7,000,505 exceeding claims, OPEB contributions, and administrative fees of \$6,865,652.

General Fund Budgetary Highlights

The original revenue budget of \$46,166,273 and the final revenue budget remained unchanged. The original expenditure budget of \$46,766,273 was adjusted up by \$132,830 to reflect \$12,563 added to recreation and social services, \$28,428 more for public works, a \$39,762 increase in public safety (primarily in police operations and services), and \$52,077 extra for various general government needs.

During the year, actual revenues exceeded budgeted revenues by \$1,919,818 and actual expenditures were \$1,478,218 under budget, providing an overall positive budget variance of \$3,398,036.

Revenues

Property taxes, interest, and lien fees collected contributed \$958,619 more than expected and local revenues exceeded budget expectations by \$390,530. A \$174,294 additional education equalization grant and an additional \$55,192 in tuition paid by other towns plus other extra grant proceeds pushed total intergovernmental grants to a net total budget positive of \$161,215. Investment income realized \$248,356 over budget. Various other revenues added \$155,999 to the total \$1,919,818 positive budget variance.

Expenditures

The education budget of \$31,134,619 remained unchanged but careful cost controls returned \$902,062 to the Town.

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 \$33,653.

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

Leases – The Town leased a number of pieces of equipment in FY 2020, as follows:

Dump Truck 2020 Freightliner 114SD plus attachments	\$171,407.00
BOE 2017 Thomas 77 passenger Bus (preowned)	\$50,006.00
BOE 3 Auto Scrubber w/gel batteries	\$17,614.00
BOE Scissor & Articulating Narrow Lifts	\$53,441.00
BOE Technology ¹	250,652.00
	<u>\$543,120.00</u>
Q&D Technology	<u>\$83,578.00</u>
Copiers	<u>\$16,000.00</u>

¹ *Wireless access points, business dept. doc. management system, replacement phone system, servers (KL/MS/HS/CS), projectors/touch screen boards, security cameras, printers (conventional and 3D), computers*

Capital projects – The Town completed the Granby Memorial Middle School gutter system, Salmon Brook Park Pavilion roof and Holcomb Farm Main Barn roof projects. The Town started on the Granby Memorial Middle School roof, High School stairwell, High School roof, High School science room, and the Griffin Bridge and Hungary Bridge projects. The Town also accepted land (0.514 acres) and its improvement in April 2020. All together, these projects and the land totaled \$2,247,525 as reported for land (\$65,300), construction in progress (\$372,252) and buildings and improvements (\$1,809,973) which were paid for by the operating budget capital account.

A summary of our capital assets is as follows:

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

	Governmental Activities	
	2020	2019
Land (not depreciated)	\$ 8,527,129	\$ 8,461,829
Construction in progress (not depreciated)	856,098	483,846
Buildings and improvements	37,574,446	37,658,000
Vehicles and equipment	3,031,645	2,794,795
Infrastructure	15,533,262	16,157,763
Total	<u>\$ 65,522,580</u>	<u>\$ 65,556,233</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 2020 fiscal year, the Town of Granby had \$10,195,000 of long-term bonded debt and no short-term debt. The Town paid off \$2,285,000 of bond principal and \$444,061 of interest. The outstanding capital leases stood at \$1,997,260 at year end after the addition of \$642,698 of new equipment and payments of \$758,760. 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
2/15/2006	Public Improvement	3.8-5.00	\$ 10,000,000	\$ 3,245,000	2026
8/15/2006	School	4.0-5.00	7,800,000	600,000	2021
2/15/2013	Public Improvement	2.0-4.0	8,700,000	6,350,000	2033
			<u>\$ 26,500,000</u>	<u>\$ 10,195,000</u>	

The Town issued no new debt this fiscal year.

On June 4, 2019, the Town by referendum appropriated and authorized the issuance of \$13,716,000 of road bonds, \$7,100,000 of school bonds, and \$4,215,000 for solar paneling. We anticipate financing for the initial stages of these projects will begin in FY 2021.

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, 2020, the maximum amount of borrowing permitted under the formula would be \$269,187,198. With total borrowings of \$10,195,000 and an aggregate \$20,816,000 of debt authorized but unissued, the Town's outstanding general obligation debt is \$238,176,198 below the maximum debt limitation (See Note 8. 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 December 1, 2024 and bear interest rates from 2.20% to 2.92%. As of June 30, 2020, we had combined capital lease obligations outstanding in the amount of \$1,997,260, the proceeds of which were used as described earlier. See "Capital Assets" above. Also see Note 9. Leases, of this report.

Economic Factors and Next Year's Budget

Suspension of In-Person Budget Adoption Requirements for Municipalities.

On March 21, 2020, Governor Ned Lamont issued Executive Order No. 71 (the "Order") to address municipal and school district concerns related to their budgets, deadlines and other related matters as a result of coronavirus disease 2019 ("COVID-19").

The Order includes the following notable provisions:

EXTENSION OF BUDGET DEADLINES FOR OTHER MUNICIPAL BODIES:

As we have already indicated, via Executive Order 7C", Governor Lamont ordered a 30 day extension of all municipal budget deadlines occurring on or before May 15, 2020 that pertain to the preparation of a municipal budget for the 2020-2021 fiscal year. The Order clarifies that these deadline extensions apply to all municipalities and quasi municipal corporations, including any village, school, sewer, fire, lighting, special services or special taxing district, beach or improvement association, any regional water or resource recovery authority or any other political subdivision of the state or any municipality.

BUDGET ADOPTION/SUSPENSION OF IN-PERSON BUDGET ADOPTION REQUIREMENTS:

Municipalities

- The Order overrides any contrary statutes, charters and ordinance and requires a municipality's legislative body or, in a municipality where the legislative body is the town meeting, the board of selectmen, to authorize the municipality's "budget-making authority" to adopt a budget for the July 1, 2020 - June 30, 2021 fiscal year and set a mill rate.
- Most importantly, the Order provides that budgets shall be adopted without holding votes required by charter or without complying with any in-person budget adoption requirements, including town meetings, referendum or special town meetings.
- The Order still requires the budget-making authority to comply with the public meeting requirements set forth in Executive Order 7B and take all reasonable steps to publicize the draft municipal budget and receive public comments, including publishing draft budgets on the municipal website and providing an email address or other means for the public to submit timely comments on the proposed budget.

Notwithstanding any contrary provision of the Connecticut General Statutes, including Title 7, or any special act, municipal charter or ordinance that conflicts with this order, the legislative body of a municipality or, in a municipality where the legislative body is a town meeting, the board of selectmen, shall authorize the budget-making authority within said municipality to adopt a budget for the July 1, 2020 - June 30, 2021 fiscal year and to set a mill rate sufficient, in addition to the other estimated yearly income of such town and in addition to such revenue surplus, if any, as may be appropriated, not only to pay the expenses of the municipality for said fiscal year, but also to absorb the revenue deficit of such town, if any, at the beginning of said fiscal

year without holding votes required by charter or without complying with any in-person budget adoption requirements, including but not limited to, annual town meetings requiring votes, referendum, and special town meetings. In so acting, the budget-making authority of the municipality shall comply with public meeting requirements consistent with requirements set forth in Executive Order 78 and shall thereby take all reasonable steps to publicize the draft municipal budget for said fiscal year and to receive public comment thereon, including but not limited to publishing draft budgets on the website and providing an email address or other means for the public to submit timely comments on the proposed budget. The Granby Board of Finance adopted the FY 2021 budget on April 13, 2020 in compliance with the governing executive orders and set the mill rate at 39.61, the same as last year.

- The unemployment rate for the Town of Granby was 6.6% as of June 30, 2020 (preliminary subject to revision due to Covid-19 effects), which is a 4.0% increase from a rate of 2.6% from a year ago. This compares favorably to the state's average unemployment rate of 10.2% and the national average rate of 11.2% (not seasonally adjusted).
- Inflationary trends in the region compare favorably to the national indices.

The FY 2020 - 21 budget incorporates several goals and objectives:

- Budget in a conservatively and fiscally responsible manner that will provide municipal service to our citizens.
- Explore alternative methods of providing services, including joint endeavors and shared services.
- Provide funding to meet the long-term capital needs of the Town and to fund the maintenance of its assets.
- Move away from capital lease borrowing and fund for purchases in the Capital Equipment/Improvement Fund.
- Develop a multi-year plan to increase the unassigned fund balance reserves to seventeen percent.
- Expand revenue sources available to the Town, including but not limited to the Grand List.

For FY 2020 - 2021, Granby's budget rose \$856,068 (1.83%) from \$46,766,273 to \$47,622,341 without generating a mill rate increase.

Revenues

The local real estate, personal property, and motor vehicle tax levy on the grand list of October 1, 2019 rose \$620,290 to \$39,621,847. Intergovernmental grants from the state and federal government were set at \$6,872,966 which is \$259,695 more than last year's \$6,613,271. We budgeted a \$102,083 increase in local revenues and transfers from fiscal year 2020's \$581,445 to \$683,528. We budgeted use of general fund balance to offset further tax increases in the amount of \$444,000, down \$156,000 from the prior year.

Expenditures

General government expenditures of \$11,738,716 (before capital expenditures and debt service) are \$420,284 over last year and represent 24.65% of the total budget. Major increases occurred in administration (\$320,885) which included fringe benefits increases of (\$248,599). The Board of Education's \$32,043,750 (up \$909,131 from last year) budget share amounted to 67.29% of the \$47,622,341 budget. There were no budgeted CNEF capital outlays, but \$2,372,440 of capital outlay came from the general fund operating budget for \$1,750,000, \$256,644 from Town Aid Roads grants, \$100,000 from LOCIP grants, \$50,000 from Communications fund, and \$215,796 from various other funds including \$120,550 from the Recreation fund.

The remainder of the budget is devoted to debt service (\$2,089,875 – 4.39%). Debt service, almost all of which is education related, decreased by \$687,480 reflecting decreased principal payments and interest expense as outstanding principal is amortized.

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

At the close of the June 30, 2020 fiscal year, the total fund balance for the general fund was \$9,714,611. The Town has appropriated \$444,000 of this amount for spending in the 2021 fiscal year budget. The unassigned fund balance in the general fund was reported at \$8,927,497.

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, 2020

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 15,088,368
Receivables, net	2,427,437
Capital assets not being depreciated	9,383,227
Capital assets being depreciated, net	<u>56,139,353</u>
Total assets	<u>83,038,385</u>
Deferred Outflows of Resources:	
Deferred outflows related to pensions	776,953
Deferred outflows related to OPEB	<u>2,851,744</u>
Total deferred outflows of resources	<u>3,628,697</u>
Liabilities:	
Accounts and other payables	641,186
Accrued interest	144,329
Unearned revenue	1,393,089
Claims payable	445,000
Noncurrent liabilities:	
Due within one year	2,880,818
Due in more than one year	<u>23,586,534</u>
Total liabilities	<u>29,090,956</u>
Deferred Inflows of Resources:	
Deferred inflows related to pensions	268,474
Advance property tax collections	<u>27,526</u>
Total deferred inflows of resources	<u>296,000</u>
Net Position:	
Net investment in capital assets	52,748,957
Restricted for:	
Debt service	150,595
Trust purposes:	
Nonexpendable	18,014
Unrestricted	<u>4,362,560</u>
Total Net Position	<u>\$ 57,280,126</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, 2020**

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	\$ 4,691,492	\$ 1,143,409	\$ 42,841	\$ 128,787	\$ (3,376,455)
Public safety	3,093,027	233,500	6,430		(2,853,097)
Public works and environment	4,764,117	677,107	332,294		(3,754,716)
Recreation and social services	1,729,649	434,527	97,338		(1,197,784)
Education	42,599,278	1,530,919	15,028,894	1,593,875	(24,445,590)
Interest on long-term debt	444,061				(444,061)
Total	<u>\$ 57,321,624</u>	<u>\$ 4,019,462</u>	<u>\$ 15,507,797</u>	<u>\$ 1,722,662</u>	<u>(36,071,703)</u>
General revenues:					
Property taxes					39,951,952
Grants and contributions not restricted to specific programs					112,314
Unrestricted investment earnings					336,534
Miscellaneous					340,507
Total general revenues					<u>40,741,307</u>
Change in net position					4,669,604
Net Position at Beginning of Year					<u>52,610,522</u>
Net Position at End of Year					<u>\$ 57,280,126</u>

The accompanying notes are an integral part of the financial statements

TOWN OF GRANBY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<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	\$ 14,792,402	\$	\$ 113,362	\$ 166,954	\$ 15,072,718
Receivables, net	521,428	118,113	1,116,780	121,199	1,877,520
Due from other funds	61,986	740,464		3,685,783	4,488,233
Total Assets	<u>\$ 15,375,816</u>	<u>\$ 858,577</u>	<u>\$ 1,230,142</u>	<u>\$ 3,973,936</u>	<u>\$ 21,438,471</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 388,548	\$ 38,445	\$	\$ 196,317	\$ 623,310
Due to other funds	4,844,183			61,986	4,906,169
Unearned revenue		87,800	1,116,780	188,509	1,393,089
Total liabilities	<u>5,232,731</u>	<u>126,245</u>	<u>1,116,780</u>	<u>446,812</u>	<u>6,922,568</u>
Deferred Inflows of Resources:					
Unavailable revenues - property taxes	400,948				400,948
Unavailable revenues - grants		118,113			118,113
Advance tax collections	27,526				27,526
Total deferred inflows of resources	<u>428,474</u>	<u>118,113</u>	<u>-</u>	<u>-</u>	<u>546,587</u>
Fund Balances:					
Nonspendable				18,014	18,014
Restricted			113,362	1,134,477	1,247,839
Committed	51,858	614,219		2,410,379	3,076,456
Assigned	735,256				735,256
Unassigned	8,927,497			(35,746)	8,891,751
Total fund balances	<u>9,714,611</u>	<u>614,219</u>	<u>113,362</u>	<u>3,527,124</u>	<u>13,969,316</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 15,375,816</u>	<u>\$ 858,577</u>	<u>\$ 1,230,142</u>	<u>\$ 3,973,936</u>	<u>\$ 21,438,471</u>

(Continued on next page)

TOWN OF GRANBY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 13,969,316
--	---------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 124,304,224	
Less accumulated depreciation	<u>(58,781,644)</u>	
Net capital assets		65,522,580

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	289,229
Interest receivable on property taxes	111,719
Grant receivables greater than 60 days	118,113
Deferred outflows of resources related to pensions	776,953
Deferred outflows of resources related to OPEB	2,851,744

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.

520,627

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	(3,789,380)
Bonds and notes payable	(10,195,000)
Interest payable on bonds and notes	(144,329)
Compensated absences	(945,136)
Capital lease	(1,997,260)
Unamortized bond premium	(581,363)
Net OPEB liability	(8,959,213)
Deferred inflows of resources related to pensions	<u>(268,474)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 57,280,126</u>
---	----------------------

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, 2020**

	<u>General</u>	<u>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 39,935,238	\$	\$	\$	\$ 39,935,238
Intergovernmental	11,317,826	216,497		1,862,487	13,396,810
Licenses, fees and charges for services	718,930			1,571,578	2,290,508
Investment income	289,164	10,564	57	13,875	313,660
Other revenues	442,621	51,806	23,200	275,676	793,303
Total revenues	<u>52,703,779</u>	<u>278,867</u>	<u>23,257</u>	<u>3,723,616</u>	<u>56,729,519</u>
Expenditures:					
Current:					
General government	4,237,630		2,280	5,500	4,245,410
Public safety	2,773,626			42,358	2,815,984
Public works and environmental	2,944,928			573,202	3,518,130
Recreation and social services	811,916			726,524	1,538,440
Education	34,574,784			2,298,055	36,872,839
Capital outlay		3,214,427			3,214,427
Debt service	2,767,355				2,767,355
Total expenditures	<u>48,110,239</u>	<u>3,214,427</u>	<u>2,280</u>	<u>3,645,639</u>	<u>54,972,585</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,593,540</u>	<u>(2,935,560)</u>	<u>20,977</u>	<u>77,977</u>	<u>1,756,934</u>
Other Financing Sources (Uses):					
Transfers in	18,567	1,905,990		128,730	2,053,287
Transfers out	(1,578,730)			(474,557)	(2,053,287)
Capital lease issuance	16,000	543,120		83,578	642,698
Total other financing sources (uses)	<u>(1,544,163)</u>	<u>2,449,110</u>	<u>-</u>	<u>(262,249)</u>	<u>642,698</u>
Net Change in Fund Balances	3,049,377	(486,450)	20,977	(184,272)	2,399,632
Fund Balances at Beginning of Year	<u>6,665,234</u>	<u>1,100,669</u>	<u>92,385</u>	<u>3,711,396</u>	<u>11,569,684</u>
Fund Balances at End of Year	<u>\$ 9,714,611</u>	<u>\$ 614,219</u>	<u>\$ 113,362</u>	<u>\$ 3,527,124</u>	<u>\$ 13,969,316</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, 2020

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)	\$ 2,399,632
---	--------------

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	3,007,412
Depreciation expense	(3,025,273)

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.	(15,792)
---	----------

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	(5,838)
Property tax interest and lien revenue - accrual basis change	22,552
Grant receivable - accrual basis change	118,113
Change in deferred outflows amounts related to pensions	400,936
Change in deferred outflows amounts related to OPEB	1,954,180

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	2,285,000
Capital lease payments	758,760
Capital lease financing	(642,698)

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	37,619
Accrued interest	52,506
Amortization of deferred charge on refunding	(4,566)
Amortization of bond premiums	48,021
OPEB liability	(2,174,587)
Pension liability	(957,543)
Change in deferred inflows amounts related to pensions	276,317

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.

134,853

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>4,669,604</u>
--	---------------------

The accompanying notes are an integral part of the financial statements

**TOWN OF GRANBY, CONNECTICUT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2020**

	Governmental Activities Internal Service Fund
Assets:	
Current:	
Cash and cash equivalents	\$ 15,650
Receivables	549,917
Due from other funds	<u>417,936</u>
Total assets	<u>983,503</u>
Liabilities:	
Current:	
Accounts and other payables	17,876
Risk management claims	<u>445,000</u>
Total liabilities	<u>462,876</u>
Net Position:	
Unrestricted	\$ <u><u>520,627</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, 2020**

	Governmental Activities
	Internal Service Fund
Operating Revenues:	
Contributions	\$ 4,747,101
Employee contributions	1,421,166
Other	809,364
Total operating revenues	<u>6,977,631</u>
Operating Expenses:	
Health insurance claims	5,842,223
Contribution to OPEB Trust Fund	296,256
Administrative and management fees	727,173
Total operating expenses	<u>6,865,652</u>
Operating Loss	111,979
Nonoperating Revenue:	
Revenues from use of money	<u>22,874</u>
Change in Net Position	134,853
Net Position at Beginning of Year	<u>385,774</u>
Net Position at End of Year	<u>\$ 520,627</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, 2020**

	<u>Governmental Activities Internal Service Fund</u>
Cash Flows from Operating Activities:	
Cash received from charges for services and contributions	\$ 6,646,801
Cash paid for claims, premiums and fees	<u>(6,801,408)</u>
Net cash provided by (used in) operating activities	(154,607)
Cash Flows from Investing Activities:	
Income on investments	<u>22,874</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(131,733)
Cash and Cash Equivalents at Beginning of Year	<u>147,383</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>15,650</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>111,979</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in receivables	(549,917)
(Increase) decrease in due from other funds	219,087
Increase (decrease) in accounts payable	4,244
Increase (decrease) in risk management claims	<u>60,000</u>
Total adjustments	<u>(266,586)</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>(154,607)</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, 2020**

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ 223,004	\$ 360,772
Investments - mutual funds	20,834,311	
Accounts receivable	<u>5,598</u>	<u>103,894</u>
Total assets	21,062,913	<u><u>\$ 464,666</u></u>
Liabilities:		
Due to employees and others	<u>-</u>	<u><u>\$ 464,666</u></u>
Net Position:		
Restricted for pension benefits	18,752,909	
Restricted for OPEB benefits	<u>2,310,004</u>	
Total Net Position	<u><u>\$ 21,062,913</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, 2020

	Pension and Other Post Employment Benefits Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,479,338
Employee	161,887
Total contributions	<u>1,641,225</u>
Investment income (loss):	
Net change in fair value of investments	725,261
Interest and dividends	420,658
Total investment gain (loss)	<u>1,145,919</u>
Less investment expenses:	
Investment management fees	36,412
Net investment income (loss)	<u>1,109,507</u>
Total additions	<u>2,750,732</u>
Deductions:	
Benefits	1,910,634
Administrative expenses	12,514
Total deductions	<u>1,923,148</u>
Change in Net Position	827,584
Net Position at Beginning of Year	<u>20,235,329</u>
Net Position at End of Year	<u>\$ 21,062,913</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, 2020**

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, Scholarship Fund, Contract Security Fund, and Flexible Spending 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, 2020**

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 six times 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, 2020 is stated net of allowance for estimated uncollectible amounts of \$61,765.

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 deferred outflows related to pension and OPEB in the government-wide statement of net position. 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 and grants. 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. In the event of termination, employees are compensated for accumulated vacation and sick time, and the expenditure is recognized in the governmental fund financial statements, typically, the General Fund.

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.

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. 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.

P. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 2, 2020.

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.

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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 2020, the original General Fund operating budget was increased by \$132,830.

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.

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, 2020, the Town reported deficit fund balance for the following funds:

Nonmajor Governmental Funds:		
Dog	\$	374
Cafeteria		34,086
Emergency Management		1,286

The Town plans to address these deficits in subsequent years through future revenues and grants.

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

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

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*, \$13,709,541 of the Town's bank balance of \$14,718,974 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,238,586
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,470,955</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 13,709,541</u></u>

Cash Equivalents

At June 30, 2020, the Town's cash equivalents amounted to \$2,245,906. 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
Wells Fargo	*

*Not Rated

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Investments

As of June 30, 2020, the Town's investments of \$20,834,311 were comprised entirely of mutual funds.

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, 2020, 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.

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, 2020:

<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	\$ <u>20,834,311</u>	\$ <u>20,834,311</u>	\$ <u>-</u>	\$ <u>-</u>

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

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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>Capital Projects</u>	<u>Small Cities</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Interest	\$ 111,719	\$	\$	\$	\$ 111,719
Taxes	444,904				444,904
Intergovernmental		118,113		121,199	239,312
Loans			1,116,780		1,116,780
Other	26,570			659,409	685,979
Gross receivables	<u>583,193</u>	<u>118,113</u>	<u>1,116,780</u>	<u>780,608</u>	<u>2,598,694</u>
Less allowance for uncollectibles	<u>(61,765)</u>				<u>(61,765)</u>
Net Total Receivables	<u>\$ 521,428</u>	<u>\$ 118,113</u>	<u>\$ 1,116,780</u>	<u>\$ 780,608</u>	<u>\$ 2,536,929</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 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	\$ 65,300	\$	\$ 8,527,129
Construction in progress	483,846	372,252		856,098
Total capital assets not being depreciated	<u>8,945,675</u>	<u>437,552</u>	<u>-</u>	<u>9,383,227</u>
Capital assets being depreciated:				
Buildings and improvements	69,874,253	1,809,973		71,684,226
Vehicles and equipment	9,146,838	759,887	(590,036)	9,316,689
Infrastructure	33,920,082			33,920,082
Total capital assets being depreciated	<u>112,941,173</u>	<u>2,569,860</u>	<u>(590,036)</u>	<u>114,920,997</u>
Less accumulated depreciation for:				
Buildings and improvements	(32,216,253)	(1,893,527)		(34,109,780)
Vehicles and equipment	(6,352,043)	(507,245)	574,244	(6,285,044)
Infrastructure	(17,762,319)	(624,501)		(18,386,820)
Total accumulated depreciation	<u>(56,330,615)</u>	<u>(3,025,273)</u>	<u>574,244</u>	<u>(58,781,644)</u>
Total capital assets being depreciated, net	<u>56,610,558</u>	<u>(455,413)</u>	<u>(15,792)</u>	<u>56,139,353</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,556,233</u>	<u>\$ (17,861)</u>	<u>\$ (15,792)</u>	<u>\$ 65,522,580</u>

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Governmental activities:	
General government	\$ 65,638
Public safety	90,706
Public works and environment	736,974
Recreation and social services	110,901
Education	<u>2,021,054</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>3,025,273</u>

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, 2020 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 61,986
Capital Projects Fund	General Fund	740,464
Nonmajor Governmental Funds	General Fund	3,685,783
Internal Service Fund	General Fund	<u>417,936</u>
 Total		 \$ <u>4,906,169</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	\$	\$ 1,450,000	\$ 128,730	\$ 1,578,730
Nonmajor Governmental Funds	<u>18,567</u>	<u>455,990</u>		<u>474,557</u>
 Total Transfers In	 \$ <u>18,567</u>	 \$ <u>1,905,990</u>	 \$ <u>128,730</u>	 \$ <u>2,053,287</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, 2020

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 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	\$ 12,480,000	\$	\$ 2,285,000	\$ 10,195,000	\$ 1,645,000
Issuance premium on bonds	629,384		48,021	581,363	
Total bonds payable	13,109,384	-	2,333,021	10,776,363	1,645,000
Capital leases	2,113,322	642,698	758,760	1,997,260	753,656
Compensated absences	982,755	420,534	458,153	945,136	482,162
Net OPEB liability	6,784,626	2,174,587		8,959,213	
Net pension liability	2,831,837	957,543		3,789,380	
Total Governmental Activities					
Long-Term Liabilities	\$ 25,821,924	\$ 4,195,362	\$ 3,549,934	\$ 26,467,352	\$ 2,880,818

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>	
\$10,000,000 - General obligation bonds issued February 15, 2006 and maturing on February 15, 2026; interest rate from 3.8% to 5.0%	\$ 3,245,000
\$7,800,000 - General obligation bonds issued August 15, 2006 and maturing August 15, 2020; interest rate from 4.0% to 5.0%	600,000
\$8,700,000 - General obligation bonds issued February 13, 2013 and maturing February 1, 2033; interest rate from 2.0% to 4.0%	<u>6,350,000</u>
Total Bond Indebtedness	\$ <u>10,195,000</u>

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The following is a schedule of future debt service requirements as of June 30, 2020:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	1,040,000	238,625	1,278,625
2025	1,040,000	195,375	1,235,375
2026-2030	2,980,000	491,100	3,471,100
2031-2033	<u>1,410,000</u>	<u>91,650</u>	<u>1,501,650</u>
Total	<u>\$ 10,195,000</u>	<u>\$ 2,014,875</u>	<u>\$ 12,209,875</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	\$ 86,524,457	\$ 4,556,450	\$ 81,968,007
Schools	173,048,913	5,638,550	167,410,363
Sewers	144,207,428		144,207,428
Urban renewal	124,979,771		124,979,771
Pension deficit	115,365,942		115,365,942

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 \$13,716,000 of general purpose, \$7,100,000 school bonds, and \$4,215,000 for solar paneling authorized and unissued bonds at June 30, 2020.

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation (\$269,187,198).

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

8. LEASES

Capital Leases

The Town leases various vehicles, equipment and technology under capital lease arrangements. These leases vary in duration through December 1, 2024 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	\$ 3,885,157
Less accumulated depreciation	<u>1,873,875</u>
Total	<u><u>\$ 2,011,282</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, 2020 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 802,817
2022	626,979
2023	393,662
2024	208,300
2025	<u>63,809</u>
Total	2,095,567
Less amount representing interest	<u>98,307</u>
Total	<u><u>\$ 1,997,260</u></u>

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2020 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	\$	\$	\$	\$ 18,014	\$ 18,014
Restricted for:					
Debt service				150,595	150,595
Grants			113,362	983,882	1,097,244
Committed to:					
Revaluation	51,858				51,858
Capital projects		118,173			118,173
Capital equipment		156,871			156,871
Bridge program		35,935			35,935
Various capital improvements		240,904			240,904
Capital and nonrecurring expenditures		62,336			62,336
General government				277,437	277,437
Public safety				40,530	40,530
Public works				1,259,314	1,259,314
Culture and recreation				639,322	639,322
Education				193,776	193,776
Assigned to:					
Subsequent year's budget	444,000				444,000
General government - encumbrances	22,391				22,391
Public safety - encumbrances	1,600				1,600
Public works - encumbrances	59,677				59,677
Culture and recreation - encumbrances	6,475				6,475
Education - encumbrances	201,113				201,113
Unassigned	<u>8,927,497</u>			<u>(35,746)</u>	<u>8,891,751</u>
Total Fund Balances	\$ <u>9,714,611</u>	\$ <u>614,219</u>	\$ <u>113,362</u>	\$ <u>3,527,124</u>	\$ <u>13,969,316</u>

Encumbrances of \$291,256 are included in the general fund assigned category. Encumbrances of \$268,439 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 \$150,000 per individual claim with an aggregate stop loss estimated at \$3,100,000. As of June 30, 2020, the Town has established a liability of \$445,000 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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>
2018-2019	\$	450,000	\$ 5,545,966	\$	5,610,966	\$	385,000
2019-2020		385,000	5,842,223		5,782,223		445,000

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

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 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, 2019, PERS membership consisted of:

Retirees and beneficiaries currently receiving benefits	54
Terminated employees entitled to benefits but not yet receiving them	15
Active employees	51
	<hr/>
Total	120
	<hr/>

At July 1, 2019, there was 13 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.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

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, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	20 %
U.S. Inflation-Indexed Bonds	15
U.S. Equities	40
Developed Foreign Equities	<u>25</u>
Total	<u><u>100 %</u></u>

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total pension liability	\$	22,542,289
Plan fiduciary net position		<u>18,752,909</u>
Net Pension Liability	\$	<u><u>3,789,380</u></u>
Plan fiduciary net position as a percentage of the total pension liability		83.19%

Actuarial Assumptions

The total pension liability, measured at June 30, 2020, was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.5%
Investment rate of return	6.75%
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, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
Core Fixed Income	2.28	%
U.S. Inflation-Indexed Bonds	1.27	
U.S. Equities	4.73	
Developed Foreign Equities	6.09	

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Discount Rate

The discount rate used to measure the total pension liability was 6.75% a decrease from 7.00% for the year ended June 30, 2019. 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.

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, 2019	\$ 21,134,024	\$ 18,302,187	\$ 2,831,837
Changes for the year:			
Service cost	471,336		471,336
Interest on total pension liability	1,467,469		1,467,469
Effect of economic/demographic gains or losses	250,254		250,254
Effect of assumptions changes or inputs	524,335		524,335
Benefit payments	(1,305,129)	(1,305,129)	-
Employer contributions		577,577	(577,577)
Member contributions		161,887	(161,887)
Net investment income		1,028,901	(1,028,901)
Administrative expenses		(12,514)	12,514
Net changes	1,408,265	450,722	957,543
Balances as of June 30, 2020	\$ 22,542,289	\$ 18,752,909	\$ 3,789,380

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Total Net Pension Liability	\$ 6,101,408	\$ 3,789,380	\$ 1,805,438

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

For the year ended June 30, 2020, the Town recognized pension expense of \$847,781. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 192,257	\$ 233,670
Assumption changes or inputs	584,696	
Net difference between projected and actual earning on pension plan investments	<u> </u>	<u>34,804</u>
Total	<u>\$ 776,953</u>	<u>\$ 268,474</u>

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,

2021	\$ (444)
2022	157,324
2023	305,129
2024	<u>46,470</u>
	<u>\$ 508,479</u>

B. Connecticut Teachers Retirement System - 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.

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

Employer (School Districts)

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$4,422,470 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

At June 30, 2020, 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>58,425,114</u>
Total	<u>\$ 58,425,114</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$7,175,600 in Exhibit II.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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.

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

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%.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

Asset Class	Expected Return		Target Allocation		Standard Deviation	
Public Equity - US Equity	8.10	%	20.00	%	17.00	%
Public Equity - International Developed Equity	8.50		11.00		19.00	
Public Equity - Emerging Markets Equity	10.40		9.00		24.00	
Fixed Income - Core Fixed Income	4.60		16.00		7.00	
Fixed Income - Inflation Linked Bonds	3.60		5.00		7.00	
Fixed Income - High Yield	6.50		6.00		11.00	
Fixed Income - Emerging Market Debt	5.20		5.00		11.00	
Private Equity	9.80		10.00		23.00	
Real Estate	7.00		10.00		15.00	
Alternative Investments - Real Assets	8.20		4.00		17.00	
Alternative Investments - Hedge Funds	5.40		3.00		7.00	
Liquidity Fund	2.90		1.00		1.00	
Total			100.00	%		

Discount Rate

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

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

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

Pension Plan Fiduciary Net Position

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

Other Information

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

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, 2019, plan membership consisted of the following:

Active plan members	278
Retired members	<u>64</u>
Total Participants	<u><u>342</u></u>

Funding Policy

The Town's funding and payment of post-employment benefits for the year ended June 30, 2020 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.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020.

<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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.12%. 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, 2020. The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB liability	\$	11,269,217
Plan fiduciary net position		<u>2,310,004</u>
Net OPEB Liability	\$	<u><u>8,959,213</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		20.50%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, 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	5.15% - 4.50% over 58 years

Mortality rates for Teachers and Administrators were based on 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) to rates over age 80.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Mortality rates for Police and Union were based on PubS-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement.

Mortality rates for all others were based on PubG-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement.

The actuarial assumptions used in the July 1, 2019 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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	50 %	2.28 %
U.S. Large Caps	50	4.46
Total	100 %	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.0%. 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.

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2019	\$ 8,717,768	\$ 1,933,142	\$ 6,784,626
Changes for the year:			
Service cost	367,351		367,351
Interest on total OPEB liability	527,206		527,206
Effect of change in benefit terms	(13,411)		(13,411)
Effect of economic/demographic gains or losses	1,985,479		1,985,479
Effect of assumptions changes or inputs	290,329		290,329
Benefit payments	(605,505)	(605,505)	-
Employer contributions		901,761	(901,761)
Member contributions			-
Net investment income		80,606	(80,606)
Net changes	2,551,449	376,862	2,174,587
Balances as of June 30, 2020	\$ 11,269,217	\$ 2,310,004	\$ 8,959,213

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 or 1 percentage point higher than the current discount rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability	\$ 10,145,391	\$ 8,959,213	\$ 7,939,215

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

The following presents the net OPEB liability of the Town using current healthcare cost trend rates, 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 or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.15% Decreasing to 3.50%)	Healthcare Cost Trend Rates (5.15% Decreasing to 4.50%)	1% Increase (6.15% Decreasing to 5.50%)
Net OPEB Liability	\$ 7,697,279	\$ 8,959,213	\$ 10,457,449

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,122,168. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,277,451	\$
Assumption changes or inputs	522,133	
Net difference between projected and actual earning on pension plan investments	<u>52,160</u>	<u> </u>
Total	<u>\$ 2,851,744</u>	<u>\$ -</u>

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,

2021	\$ 365,993
2022	365,995
2023	362,352
2024	359,224
2025	350,351
Thereafter	<u>1,047,829</u>
	<u>\$ 2,851,744</u>

B. Other Post Employment Benefit - Connecticut 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 Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

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

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

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

Survivor Health Care Coverage

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

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$120,870 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

At June 30, 2020, 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>9,111,727</u>
Total	\$ <u><u>9,111,727</u></u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of (\$666,765) in Exhibit II.

Actuarial Assumptions

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

Inflation	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

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.

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

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

TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. 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 2019 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.

14. COMBINING TRUST FUNDS

A. Combining Balance Sheet

	Pension Trust Fund	OPEB Trust Fund	Total
Assets:			
Cash and cash equivalents	\$ 223,004	\$	\$ 223,004
Investments - mutual funds	18,524,307	2,310,004	20,834,311
Accounts receivable	5,598		5,598
Total assets	18,752,909	2,310,004	21,062,913
Net Position:			
Restricted for Pension Benefits and Other Post Employment Benefits	\$ 18,752,909	\$ 2,310,004	\$ 21,062,913

**TOWN OF GRANBY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

	Pension Trust Fund	OPEB Trust Fund	Total
Additions:			
Contributions			
Employer	\$ 577,577	\$ 901,761	\$ 1,479,338
Employee	161,887		161,887
Total	<u>739,464</u>	<u>901,761</u>	<u>1,641,225</u>
Investment income:			
Net appreciation			
in fair value of investments	644,655	80,606	725,261
Interest and dividends	<u>420,658</u>		<u>420,658</u>
Total investment gain	1,065,313	80,606	1,145,919
Less investment expenses:			
Investment management fees	<u>36,412</u>		<u>36,412</u>
Net investment income	<u>1,028,901</u>	<u>80,606</u>	<u>1,109,507</u>
Total additions	<u>1,768,365</u>	<u>982,367</u>	<u>2,750,732</u>
Deductions:			
Benefits	1,305,129	605,505	1,910,634
Administrative expenses	<u>12,514</u>		<u>12,514</u>
Total deductions	<u>1,317,643</u>	<u>605,505</u>	<u>1,923,148</u>
Net Change	450,722	376,862	827,584
Net Position at Beginning of Year	<u>18,302,187</u>	<u>1,933,142</u>	<u>20,235,329</u>
Net Position at End of Year	<u>\$ 18,752,909</u>	<u>\$ 2,310,004</u>	<u>\$ 21,062,913</u>

15. CORONAVIRUS (COVID-19)

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

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



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, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current year taxes	\$ 38,311,557	\$ 38,311,557	\$ 39,146,582	\$ 835,025
Prior year's taxes	230,000	230,000	199,557	(30,443)
Supplemental motor vehicle	300,000	300,000	454,037	154,037
Total	38,841,557	38,841,557	39,800,176	958,619
Interest and lien fees	130,000	130,000	135,062	5,062
Total property taxes	38,971,557	38,971,557	39,935,238	963,681
Intergovernmental revenues:				
Reimbursement of local tax disability exemption	1,000	1,000	1,327	327
Education Equalization Grant	5,137,260	5,137,260	5,311,554	174,294
Excess Grant - Special Education	487,666	487,666	411,142	(76,524)
State owned property	1,061	1,061	1,061	-
Veterans Exempt Grant	3,000	3,000	2,884	(116)
Telephone Grant	14,000	14,000	15,251	1,251
E911 PSAP Grant	45,000	45,000	45,416	416
Tuition other towns	884,284	884,284	939,476	55,192
Other	40,000	40,000	46,375	6,375
Total intergovernmental revenues	6,613,271	6,613,271	6,774,486	161,215
Investment income	40,000	40,000	288,356	248,356
Local revenues:				
Town Clerk fees	200,000	200,000	381,657	181,657
Planning and Zoning	5,000	5,000	13,730	8,730
Zoning Board of Appeals	1,000	1,000	970	(30)
Building permits and licenses	120,000	120,000	316,958	196,958
Inland wetlands	2,000	2,000	5,103	3,103
Sale of maps and ordinances	100	100	242	142
Driveway permits	300	300	270	(30)
Total local revenues	328,400	328,400	718,930	390,530

(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, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other revenues:				
Snow plowing and grading	\$ 5,000	\$ 5,000	\$ 7,464	\$ 2,464
Photocopying	1,500	1,500	426	(1,074)
Rents	28,000	28,000	30,895	2,895
Contracted building inspection	10,100	10,100	10,100	-
Police dispatch services	30,050	30,050	30,500	450
Police photos and records	8,000	8,000	7,733	(267)
Library operations	14,000	14,000	7,073	(6,927)
Miscellaneous	30,000	30,000	122,852	92,852
Returned checks fee	250	250	120	(130)
Pay for participation	54,615	54,615	27,925	(26,690)
Open farm day	3,000	3,000	100	(2,900)
Holcomb Farm & haying	10,000	10,000	21,130	11,130
Prior year unliquidated encumbrances			84,196	84,196
Total other revenues	<u>194,515</u>	<u>194,515</u>	<u>350,514</u>	<u>155,999</u>
Other financing sources:				
Transfers from other funds:				
Police	18,500	18,500	18,500	-
Cossitt Library	30	30	67	37
Total other financing sources	<u>18,530</u>	<u>18,530</u>	<u>18,567</u>	<u>37</u>
Total	<u>\$ 46,166,273</u>	<u>\$ 46,166,273</u>	48,086,091	<u>\$ 1,919,818</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted			4,422,470	
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted			120,870	
Cancellation of prior year encumbrances is recognized as budgetary revenue			(84,196)	
Revaluation Fund Revenues not budgeted			808	
Issuance of capital leases			16,000	
Other adjustments			<u>176,303</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 52,738,346</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, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General government:				
General administration	\$ 397,697	\$ 414,016	\$ 408,518	\$ 5,498
Legal fees	19,000	19,000	9,052	9,948
Fringe benefits	2,507,216	2,507,216	2,472,880	34,336
Town Clerk operations	158,263	160,126	150,377	9,749
Probate	4,400	4,400	4,325	75
Contingency	183,525	212,197	196,593	15,604
Election services	43,880	43,880	29,294	14,586
Boards and commissions	64,903	64,903	57,499	7,404
Revenue collections	128,113	129,976	125,729	4,247
Property assessments	187,358	190,718	185,695	5,023
Fiscal management	340,809	340,809	297,475	43,334
Insurance	347,390	347,390	306,584	40,806
Total general government	<u>4,382,554</u>	<u>4,434,631</u>	<u>4,244,021</u>	<u>190,610</u>
Public safety:				
Building inspection	157,104	160,398	157,964	2,434
Fire prevention	350,534	353,433	339,169	14,264
Emergency management	800	800	-	800
Health services	153,760	153,760	153,758	2
Police department administration	346,412	346,412	339,267	7,145
Police operations and services	1,812,539	1,846,108	1,785,068	61,040
Total public safety	<u>2,821,149</u>	<u>2,860,911</u>	<u>2,775,226</u>	<u>85,685</u>
Public works and environment:				
Public Works administration	194,384	198,366	196,668	1,698
General maintenance	1,371,401	1,390,324	1,331,742	58,582
Solid waste and recycling	848,174	849,100	821,385	27,715
Planning and engineering services	31,400	31,400	26,620	4,780
Building maintenance and Town grounds	680,647	685,244	628,190	57,054
Total public works and environment	<u>3,126,006</u>	<u>3,154,434</u>	<u>3,004,605</u>	<u>149,829</u>
Recreation and social services:				
Library	550,023	557,327	516,750	40,577
Social services	212,952	216,118	205,330	10,788
Recreation administration	94,018	96,111	95,111	1,000
Community support	3,000	3,000	1,200	1,800
Total recreation and social services	<u>859,993</u>	<u>872,556</u>	<u>818,391</u>	<u>54,165</u>
Debt service	<u>2,777,355</u>	<u>2,777,355</u>	<u>2,767,355</u>	<u>10,000</u>
Education	<u>31,134,619</u>	<u>31,134,619</u>	<u>30,232,557</u>	<u>902,062</u>
Total budgeted expenditures	<u>45,101,676</u>	<u>45,234,506</u>	<u>43,842,155</u>	<u>1,392,351</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, 2020

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Other financing uses:				
Transfers out:				
Capital equipment	\$ 1,535,867	\$ 1,535,867	\$ 1,450,000	\$ 85,867
Senior activity	39,230	39,230	39,230	-
Emergency management	6,000	6,000	6,000	-
Dog fund	7,500	7,500	7,500	-
Youth service fund	76,000	76,000	76,000	-
Total other financing uses	<u>1,664,597</u>	<u>1,664,597</u>	<u>1,578,730</u>	<u>85,867</u>
Total Budgeted Operations	<u>\$ 46,766,273</u>	<u>\$ 46,899,103</u>	45,420,885	<u>\$ 1,478,218</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			4,422,470	
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted			120,870	
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			(291,256)	
Net lease proceeds			<u>16,000</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>\$ 49,688,969</u>	

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 471,336	\$ 439,590	\$ 422,365	\$ 405,744	\$ 434,343	\$ 404,587	\$ 330,806
Interest	1,467,469	1,463,841	1,430,800	1,383,802	1,331,406	1,278,028	1,213,513
Differences between expected and actual experience	250,254	(371,752)	(112,857)	27,407	(76,130)	124,206	128,096
Changes of assumptions	524,335	118,519	241,263	236,519	147,140		
Benefit payments, including refunds of member contributions	(1,305,129)	(1,222,399)	(1,156,074)	(1,042,283)	(1,011,654)	(862,760)	(827,874)
Net change in total pension liability	1,408,265	427,799	825,497	1,011,189	825,105	944,061	844,541
Total pension liability - beginning	21,134,024	20,706,225	19,880,728	18,869,539	18,044,434	17,100,373	16,255,832
Total pension liability - ending	<u>22,542,289</u>	<u>21,134,024</u>	<u>20,706,225</u>	<u>19,880,728</u>	<u>18,869,539</u>	<u>18,044,434</u>	<u>17,100,373</u>
Plan fiduciary net position:							
Contributions - employer	577,577	557,206	517,850	487,591	470,130	456,702	448,025
Contributions - member	161,887	159,272	158,979	161,662	173,639	167,897	156,889
Net investment income (loss)	1,028,901	902,546	1,723,847	2,189,923	(296,148)	246,040	2,506,894
Benefit payments, including refunds of member contributions	(1,305,129)	(1,222,399)	(1,156,074)	(1,042,283)	(1,011,654)	(862,760)	(827,874)
Administrative expense	(12,514)	(12,180)	(12,122)				(1,966)
Net change in plan fiduciary net position	450,722	384,445	1,232,480	1,796,893	(664,033)	7,879	2,281,968
Plan fiduciary net position - beginning	18,302,187	17,917,742	16,685,262	14,888,369	15,552,402	15,544,523	13,262,555
Plan fiduciary net position - ending	<u>18,752,909</u>	<u>18,302,187</u>	<u>17,917,742</u>	<u>16,685,262</u>	<u>14,888,369</u>	<u>15,552,402</u>	<u>15,544,523</u>
Net Pension Liability - Ending	<u>\$ 3,789,380</u>	<u>\$ 2,831,837</u>	<u>\$ 2,788,483</u>	<u>\$ 3,195,466</u>	<u>\$ 3,981,170</u>	<u>\$ 2,492,032</u>	<u>\$ 1,555,850</u>
Plan fiduciary net position as a percentage of the total pension liability	83.19%	86.60%	86.53%	83.93%	78.90%	86.19%	90.90%
Covered payroll	\$ 3,878,163	\$ 3,687,470	\$ 3,687,470	\$ 3,778,774	\$ 4,086,754	\$ 3,913,965	\$ 3,311,245
Net pension liability as a percentage of covered payroll	97.71%	76.80%	75.62%	84.56%	97.42%	63.67%	46.99%

*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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 577,577	\$ 557,206	\$ 517,850	\$ 487,591	\$ 470,130	\$ 456,702	\$ 448,025	\$ 361,909	\$ 359,226	\$ 286,664
Contributions in relation to the actuarial determined contribution	577,577	557,206	517,850	487,591	470,130	456,702	448,025	361,909	359,226	286,664
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,878,163	\$ 3,687,470	\$ 3,778,774	\$ 4,086,754	\$ 3,913,965	\$ 3,311,245	\$ 3,409,422	\$ 3,637,892	\$ 3,402,929	\$ 3,735,252
Contributions as a percentage of covered payroll	14.89%	15.11%	13.70%	11.93%	12.01%	13.79%	13.14%	9.95%	10.56%	7.67%

Notes to Schedule

Valuation Date: July 1, 2019
Measurement Date: June 30, 2020
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	13 years
Asset valuation method	5 years, non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.750%
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 SEVEN FISCAL YEARS***

	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	5.64%	5.05%	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 SIX FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<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%	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>58,425,114</u>	<u>45,049,157</u>	<u>47,535,197</u>	<u>50,149,997</u>	<u>38,644,363</u>	<u>35,718,969</u>
Total	<u>\$ 58,425,114</u>	<u>\$ 45,049,157</u>	<u>\$ 47,535,197</u>	<u>\$ 50,149,997</u>	<u>\$ 38,644,363</u>	<u>\$ 35,718,969</u>
Town's covered payroll	\$ 1,192,384	\$ 1,174,013	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	HB 7424 made the following provision changes: - Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%. - For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.
Changes of assumptions	HB 7424 made the following assumption changes: - Reduce the inflation assumption from 2.75% to 2.50%. - Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%. - Increase the annual rate of wage increase assumption from 0.50% to 0.75%. - Phase in to a level dollar amortization method for the June 30, 2024 valuation.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense

*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 CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
LAST FOUR FISCAL YEARS*
(In Thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 367,351	\$ 286,688	\$ 260,128	\$ 236,276
Interest	527,206	509,886	500,235	482,944
Changes of benefit terms	(13,411)			
Differences between expected and actual experience	1,985,479		726,403	
Changes of assumptions	290,329		383,976	
Benefit payments	(605,505)	(572,118)	(518,279)	(474,546)
Net change in total OPEB liability	2,551,449	224,456	1,352,463	244,674
Total OPEB liability - beginning	8,717,768	8,493,312	7,140,849	6,896,175
Total OPEB liability - ending	<u>11,269,217</u>	<u>8,717,768</u>	<u>8,493,312</u>	<u>7,140,849</u>
Plan fiduciary net position:				
Contributions - employer	901,761	572,118	518,279	707,589
Net investment income	80,606	94,763	103,175	136,681
Benefit payments	(605,505)	(572,118)	(518,279)	(474,546)
Net change in plan fiduciary net position	376,862	94,763	103,175	369,724
Plan fiduciary net position - beginning	1,933,142	1,838,379	1,735,204	1,365,480
Plan fiduciary net position - ending	<u>2,310,004</u>	<u>1,933,142</u>	<u>1,838,379</u>	<u>1,735,204</u>
Net OPEB Liability - Ending	<u>\$ 8,959,213</u>	<u>\$ 6,784,626</u>	<u>\$ 6,654,933</u>	<u>\$ 5,405,645</u>
Plan fiduciary net position as a percentage of the total OPEB liability	20.50%	22.17%	21.65%	24.30%
Covered payroll	\$ 21,208,110	\$ 20,207,961	\$ 20,207,961	\$ 20,391,068
Net OPEB liability as a percentage of covered payroll	42.24%	33.57%	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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution (1)	\$ 727,143	\$ 693,256	\$ 610,945	\$ 568,962	\$ 551,457	\$ 526,242	\$ 524,000	\$ 500,000	\$ 686,000	\$ 651,000
Contributions in relation to the actuarially determined contribution	901,761	572,118	518,279	707,589	412,830	661,242	389,000	780,000	406,000	893,000
Contribution Deficiency (Excess)	<u>\$ (174,618)</u>	<u>\$ 121,138</u>	<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>
Covered payroll	\$ 21,208,110	\$ 20,207,961	\$ 20,207,961	\$ 20,391,068	\$ 19,763,521	\$ 19,763,521	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	4.25%	2.83%	2.56%	3.47%	2.09%	3.35%	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, 2019

Measurement date: June 30, 2020

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	20 years
Asset valuation method	5 years, non-asymptotic
Inflation	2.75%
Healthcare cost trend rates	5.15% - 4.50% over 58 years
Salary increases	Graded salary scale for BOE; 3.5% for others
Discount rate	6.00%
Retirement age	Varies based on age, eligibility for pension benefits, and gender
Healthy Mortality	Teachers and Administrators: 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) to rates over age 80. Police and Town Union: PubS-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement. All Others: PubG-2010 Mortality Table with generational projection per MP-2014 ultimate scale, with employee rates before benefit commencement and healthy annuitant rates after benefit commencement.
Disabled Mortality	Teachers and Administrators: RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.12%	5.09%	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 THREE FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	9,111,727	9,005,624	12,235,018
Total	<u>\$ 9,111,727</u>	<u>\$ 9,005,624</u>	<u>\$ 12,235,018</u>
Town's covered payroll	\$ 1,192,384	\$ 1,174,013	\$ 1,099,545
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

*Note: 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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 14,792,402	\$ 6,549,784
Investments		6,290,551
Property taxes receivable, net of allowance for uncollectibles of \$61,765 in 2020 and \$48,480 in 2019	383,139	357,335
Interest receivable	111,719	89,167
Other receivables	26,570	115,706
Due from other funds	<u>61,986</u>	<u>2,386</u>
Total Assets	\$ <u>15,375,816</u>	\$ <u>13,404,929</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 388,548	\$ 870,124
Due to other funds	<u>4,844,183</u>	<u>5,475,231</u>
Total liabilities	<u>5,232,731</u>	<u>6,345,355</u>
Deferred Inflows of Resources:		
Unavailable revenues - property taxes	400,948	384,234
Advance tax collections	<u>27,526</u>	<u>10,106</u>
Total deferred inflows of resources	<u>428,474</u>	<u>394,340</u>
Fund equity:		
Fund balance:		
Committed	51,858	51,050
Assigned for:		
Subsequent year's budget	444,000	600,000
Encumbrances	291,256	84,196
Unassigned	<u>8,927,497</u>	<u>5,929,988</u>
Total fund balance	<u>9,714,611</u>	<u>6,665,234</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>15,375,816</u>	\$ <u>13,404,929</u>

**TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET SCHEDULE
JUNE 30, 2020**

	<u>General</u>	<u>Revaluation Fund</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 14,792,402	\$	\$	\$ 14,792,402
Property taxes receivable, net of allowance for uncollectibles of \$61,765	383,139			383,139
Interest receivable	111,719			111,719
Other receivables	26,570			26,570
Due from other funds	<u>61,986</u>	<u>51,858</u>	<u>(51,858)</u>	<u>61,986</u>
Total Assets	<u>\$ 15,375,816</u>	<u>\$ 51,858</u>	<u>\$ (51,858)</u>	<u>\$ 15,375,816</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities:				
Accounts payable and accrued liabilities	\$ 388,548	\$	\$	\$ 388,548
Due to other funds	<u>4,896,041</u>		<u>(51,858)</u>	<u>4,844,183</u>
Total liabilities	<u>5,284,589</u>	<u>-</u>	<u>(51,858)</u>	<u>5,232,731</u>
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	400,948			400,948
Advance tax collections	<u>27,526</u>			<u>27,526</u>
Total deferred inflows of resources	<u>428,474</u>	<u>-</u>	<u>-</u>	<u>428,474</u>
Fund Equity:				
Fund balance:				
Committed		51,858		51,858
Assigned for:				
Subsequent year's budget	444,000			444,000
Encumbrances	291,256			291,256
Unassigned	<u>8,927,497</u>			<u>8,927,497</u>
Total fund balance	<u>9,662,753</u>	<u>51,858</u>	<u>-</u>	<u>9,714,611</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 15,375,816</u>	<u>\$ 51,858</u>	<u>\$ (51,858)</u>	<u>\$ 15,375,816</u>

TOWN OF GRANBY, CONNECTICUT**GENERAL FUND****COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General</u>	<u>Revaluation Fund</u>	<u>Total</u>
Revenues:			
Property taxes	\$ 39,935,238	\$	\$ 39,935,238
Intergovernmental	11,317,826		11,317,826
Licenses, fees and charges for services	718,930		718,930
Investment income	288,356	808	289,164
Other revenues	442,621		442,621
Total revenues	<u>52,702,971</u>	<u>808</u>	<u>52,703,779</u>
Expenditures:			
Current:			
General government	4,237,630		4,237,630
Public safety	2,773,626		2,773,626
Public works and environmental	2,944,928		2,944,928
Recreation and social services	811,916		811,916
Education	34,574,784		34,574,784
Debt service	2,767,355		2,767,355
Total expenditures	<u>48,110,239</u>	<u>-</u>	<u>48,110,239</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,592,732</u>	<u>808</u>	<u>4,593,540</u>
Other Financing Sources (Uses):			
Transfers in	18,567		18,567
Transfers out	(1,578,730)		(1,578,730)
Capital lease issuance	16,000		16,000
Total other financing sources (uses)	<u>(1,544,163)</u>	<u>-</u>	<u>(1,544,163)</u>
Net Change in Fund Balances	3,048,569	808	3,049,377
Fund Balances at Beginning of Year	<u>6,614,184</u>	<u>51,050</u>	<u>6,665,234</u>
Fund Balances at End of Year	<u>\$ 9,662,753</u>	<u>\$ 51,858</u>	<u>\$ 9,714,611</u>

**TOWN OF GRANBY, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2020**

Grand List	Current Levy	Uncollected Taxes July 1, 2019	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections	Refunds	Uncollected Taxes June 30, 2020
			Additions	Deductions					
2018	\$ 39,927,011	\$	\$ 53,411	\$ 141,579	\$	\$ 39,838,843	\$ 39,593,826	\$ 22,057	\$ 267,074
2017		252,974	1,286	5,221	1,077	247,962	145,006	5,069	108,025
2016		84,989	288	527	9,095	75,655	39,418	416	36,653
2015		37,426	1,093	446	9,063	29,010	11,183		17,827
2014		23,540	335		4,539	19,336	4,852		14,484
2013		4,564	462		3,392	1,634	793		841
2012		1,911	206		2,013	104	104		-
2011		411			410	1	1		-
2010						-			-
2009						-			-
Total	\$ 39,927,011	\$ 405,815	\$ 57,081	\$ 147,773	\$ 29,589	\$ 40,212,545	39,795,183	\$ 27,542	\$ 444,904
Interest, liens, fees and suspension collections							108,413		
Total collections							39,903,596		
Property taxes receivable considered available:									
June 30, 2019							(62,268)		
June 30, 2020							93,910		
Total Property Tax Revenue							\$ 39,935,238		



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
Tri Town Cable	State grant	Manage the PEGPEDIA grant for tri town cable network
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
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, 2020**

	Special Revenue Funds							
	Dog	Town Aid Road	Senior Activity	LOCIP	Solid Waste Sanitation	Sidewalk and Beautification Improvement	Local Assistance	Open Space
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Due from other governments								
Due from other funds	3,509	293,900	132,608		371,548	103,059	37,983	62,542
Receivables			9,547					
Total Assets	<u>\$ 3,509</u>	<u>\$ 293,900</u>	<u>\$ 142,155</u>	<u>\$ -</u>	<u>\$ 371,548</u>	<u>\$ 103,059</u>	<u>\$ 37,983</u>	<u>\$ 62,542</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 3,883	\$	\$ 605	\$	\$ 26,963	\$	\$ 116	\$
Due to other funds								
Unearned revenue								
Total liabilities	<u>3,883</u>	<u>-</u>	<u>605</u>	<u>-</u>	<u>26,963</u>	<u>-</u>	<u>116</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted		293,900						
Committed			141,550		344,585	103,059	37,867	62,542
Unassigned	(374)							
Total fund balances	<u>(374)</u>	<u>293,900</u>	<u>141,550</u>	<u>-</u>	<u>344,585</u>	<u>103,059</u>	<u>37,867</u>	<u>62,542</u>
Total Liabilities and Fund Balances	<u>\$ 3,509</u>	<u>\$ 293,900</u>	<u>\$ 142,155</u>	<u>\$ -</u>	<u>\$ 371,548</u>	<u>\$ 103,059</u>	<u>\$ 37,983</u>	<u>\$ 62,542</u>

(Continued on next page)

**TOWN OF GRANBY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds							
	Police Community Education	Public Schools	Tri Town Cable	Police Forfeited Property	Youth Services Grant	Cafeteria	Federal and State Educational Grants	Sewer Utility
ASSETS								
Cash and cash equivalents	\$	\$ 56,396	\$	\$	\$	\$ 96,928	\$ 13,630	\$
Due from other governments						16,907	43,293	
Due from other funds	22,874		146,839	147	306,382			766,847
Receivables		38,426				2,154		
Total Assets	\$ 22,874	\$ 94,822	\$ 146,839	\$ 147	\$ 306,382	\$ 115,989	\$ 56,923	\$ 766,847
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$ 24,538	\$	\$	\$ 4,016	\$ 120,711	\$ 2,466	\$
Due to other funds							50,003	
Unearned revenue		8,748	146,839			29,364	3,558	
Total liabilities	-	33,286	146,839	-	4,016	150,075	56,027	-
Fund Balances:								
Nonspendable								
Restricted					302,366		896	
Committed	22,874	61,536		147				766,847
Unassigned						(34,086)		
Total fund balances	22,874	61,536	-	147	302,366	(34,086)	896	766,847
Total Liabilities and Fund Balances	\$ 22,874	\$ 94,822	\$ 146,839	\$ 147	\$ 306,382	\$ 115,989	\$ 56,923	\$ 766,847

(Continued on next page)

**TOWN OF GRANBY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds							
	Communications	Police Grants	Education Quality and Diversity	Board of Education Severance	Contractor Payment	Granby Public Library	Parks and Recreation	Dog Park
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Due from other governments								
Due from other funds	174,378	6,952	313,553	132,240	85,340	31,580	472,924	17,509
Receivables			175					
Total Assets	<u>\$ 174,378</u>	<u>\$ 6,952</u>	<u>\$ 313,728</u>	<u>\$ 132,240</u>	<u>\$ 85,340</u>	<u>\$ 31,580</u>	<u>\$ 472,924</u>	<u>\$ 17,509</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$	\$	\$	\$	13,019	\$
Due to other funds								
Unearned revenue								
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,019</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted		6,952	313,728			31,580		
Committed	174,378			132,240	85,340		459,905	17,509
Unassigned								
Total fund balances	<u>174,378</u>	<u>6,952</u>	<u>313,728</u>	<u>132,240</u>	<u>85,340</u>	<u>31,580</u>	<u>459,905</u>	<u>17,509</u>
Total Liabilities and Fund Balances	<u>\$ 174,378</u>	<u>\$ 6,952</u>	<u>\$ 313,728</u>	<u>\$ 132,240</u>	<u>\$ 85,340</u>	<u>\$ 31,580</u>	<u>\$ 472,924</u>	<u>\$ 17,509</u>

(Continued on next page)

**TOWN OF GRANBY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>Special Revenue Funds</u>				<u>Permanent Funds</u>			Total Nonmajor Governmental Funds
	<u>Historic Documents</u>	<u>Emergency Management</u>	<u>Total</u>	<u>Debt Service</u>	<u>Universal Cemetery</u>	<u>Cossitt Library</u>	<u>Total</u>	
ASSETS								
Cash and cash equivalents	\$	\$	\$ 166,954	\$	\$	\$	\$ -	\$ 166,954
Due from other governments			60,200				-	60,200
Due from other funds	34,460		3,517,174	150,595	13,791	4,223	18,014	3,685,783
Receivables		10,697	60,999				-	60,999
Total Assets	<u>\$ 34,460</u>	<u>\$ 10,697</u>	<u>\$ 3,805,327</u>	<u>\$ 150,595</u>	<u>\$ 13,791</u>	<u>\$ 4,223</u>	<u>\$ 18,014</u>	<u>\$ 3,973,936</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$	\$	\$ 196,317	\$	\$	\$	\$ -	\$ 196,317
Due to other funds		11,983	61,986				-	61,986
Unearned revenue			188,509				-	188,509
Total liabilities	<u>-</u>	<u>11,983</u>	<u>446,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>446,812</u>
Fund Balances:								
Nonspendable			-		13,791	4,223	18,014	18,014
Restricted	34,460		983,882	150,595			-	1,134,477
Committed			2,410,379				-	2,410,379
Unassigned		(1,286)	(35,746)				-	(35,746)
Total fund balances	<u>34,460</u>	<u>(1,286)</u>	<u>3,358,515</u>	<u>150,595</u>	<u>13,791</u>	<u>4,223</u>	<u>18,014</u>	<u>3,527,124</u>
Total Liabilities and Fund Balances	<u>\$ 34,460</u>	<u>\$ 10,697</u>	<u>\$ 3,805,327</u>	<u>\$ 150,595</u>	<u>\$ 13,791</u>	<u>\$ 4,223</u>	<u>\$ 18,014</u>	<u>\$ 3,973,936</u>

TOWN OF GRANBY, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds							
						Sidewalk and Beautification Improvement	Local Assistance	Open Space
	Dog	Town Aid Road	Senior Activity	LOCIP	Solid Waste Sanitation			
Revenues:								
Intergovernmental	\$	\$ 257,294	\$	\$ 75,000	\$	\$	\$	\$
Investment income					5,539	1,608		815
Contributions			3,752				21,306	
Licenses, fees and charges for goods and services	6,159		52,991		136,419			
Other			28,641					13,200
Total revenues	<u>6,159</u>	<u>257,294</u>	<u>85,384</u>	<u>75,000</u>	<u>141,958</u>	<u>1,608</u>	<u>21,306</u>	<u>14,015</u>
Expenditures:								
Current:								
General government								
Public safety	26,762							
Public works and environment					139,184			
Recreation and social services			114,107				12,977	
Education								
Total expenditures	<u>26,762</u>	<u>-</u>	<u>114,107</u>	<u>-</u>	<u>139,184</u>	<u>-</u>	<u>12,977</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(20,603)</u>	<u>257,294</u>	<u>(28,723)</u>	<u>75,000</u>	<u>2,774</u>	<u>1,608</u>	<u>8,329</u>	<u>14,015</u>
Other financing sources (uses):								
Capital lease issuance								
Transfers in	7,500		39,230					
Transfers out		(225,000)		(75,000)				
Total other financing sources (uses)	<u>7,500</u>	<u>(225,000)</u>	<u>39,230</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(13,103)	32,294	10,507	-	2,774	1,608	8,329	14,015
Fund Balance at Beginning of Year	<u>12,729</u>	<u>261,606</u>	<u>131,043</u>	<u>-</u>	<u>341,811</u>	<u>101,451</u>	<u>29,538</u>	<u>48,527</u>
Fund Balance at End of Year	\$ <u>(374)</u>	\$ <u>293,900</u>	\$ <u>141,550</u>	\$ <u>-</u>	\$ <u>344,585</u>	\$ <u>103,059</u>	\$ <u>37,867</u>	\$ <u>62,542</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, 2020

	Special Revenue Funds							
	Police Community Education	Public Schools	Tri Town Cable	Police Forfeited Property	Youth Services Grant	Cafeteria	Federal and State Educational Grants	Sewer Utility
Revenues:								
Intergovernmental	\$	\$	\$	\$	25,976	\$ 190,965	\$ 626,141	\$
Investment income				2				
Contributions					34,442			
Licenses, fees and charges for goods and services		134,365			4,155	301,657		304,118
Other								11,809
Total revenues	-	134,365	-	2	64,573	492,622	626,141	315,927
Expenditures:								
Current:								
General government								
Public safety								
Public works and environment								187,750
Recreation and social services					114,008			
Education		113,440				543,729	626,171	
Total expenditures	-	113,440	-	-	114,008	543,729	626,171	187,750
Excess (deficiency) of revenues over expenditures	-	20,925	-	2	(49,435)	(51,107)	(30)	128,177
Other financing sources (uses):								
Capital lease issuance								
Transfers in					76,000			
Transfers out								
Total other financing sources (uses)	-	-	-	-	76,000	-	-	-
Net change in fund balance	-	20,925	-	2	26,565	(51,107)	(30)	128,177
Fund Balance at Beginning of Year	22,874	40,611	-	145	275,801	17,021	926	638,670
Fund Balance at End of Year	\$ 22,874	\$ 61,536	\$ -	\$ 147	\$ 302,366	\$ (34,086)	\$ 896	\$ 766,847

(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, 2020

	Special Revenue Funds							
	Communications	Police Grants	Education Quality and Diversity	Board of Education Severance	Contractor Payment	Granby Public Library	Parks and Recreation	Dog Park
Revenues:								
Intergovernmental	\$	\$	\$ 675,331	\$	\$	\$	\$	\$
Investment income	3,081							
Contributions						8,700		5,480
Licenses, fees and charges for goods and services	45,251		60,500		142,200		383,763	
Other			70,553					
Total revenues	<u>48,332</u>	<u>-</u>	<u>806,384</u>	<u>-</u>	<u>142,200</u>	<u>8,700</u>	<u>383,763</u>	<u>5,480</u>
Expenditures:								
Current:								
General government								
Public safety								
Public works and environment					145,995			
Recreation and social services						683	479,166	5,583
Education			1,014,715					
Total expenditures	<u>-</u>	<u>-</u>	<u>1,014,715</u>	<u>-</u>	<u>145,995</u>	<u>683</u>	<u>479,166</u>	<u>5,583</u>
Excess (deficiency) of revenues over expenditures	<u>48,332</u>	<u>-</u>	<u>(208,331)</u>	<u>-</u>	<u>(3,795)</u>	<u>8,017</u>	<u>(95,403)</u>	<u>(103)</u>
Other financing sources (uses):								
Capital lease issuance			83,578					
Transfers in								
Transfers out	(50,000)				(18,500)		(105,990)	
Total other financing sources (uses)	<u>(50,000)</u>	<u>-</u>	<u>83,578</u>	<u>-</u>	<u>(18,500)</u>	<u>-</u>	<u>(105,990)</u>	<u>-</u>
Net change in fund balance	(1,668)	-	(124,753)	-	(22,295)	8,017	(201,393)	(103)
Fund Balance at Beginning of Year	<u>176,046</u>	<u>6,952</u>	<u>438,481</u>	<u>132,240</u>	<u>107,635</u>	<u>23,563</u>	<u>661,298</u>	<u>\$ 17,612</u>
Fund Balance at End of Year	<u>\$ 174,378</u>	<u>\$ 6,952</u>	<u>\$ 313,728</u>	<u>\$ 132,240</u>	<u>\$ 85,340</u>	<u>\$ 31,580</u>	<u>\$ 459,905</u>	<u>\$ 17,509</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, 2020

	Special Revenue Funds				Permanent Funds			Total Nonmajor Governmental Funds
	Historic Documents	Emergency Management	Total	Debt Service	Universal Cemetery	Cossitt Library	Total	
Revenues:								
Intergovernmental	\$ 5,500	\$ 6,280	\$ 1,862,487	\$	\$ 215	\$ 67	\$ -	\$ 1,862,487
Investment income			11,045	2,548			282	13,875
Contributions			73,680				-	73,680
Licenses, fees and charges for goods and services			1,571,578				-	1,571,578
Other	2,696		126,899	75,097			-	201,996
Total revenues	<u>8,196</u>	<u>6,280</u>	<u>3,645,689</u>	<u>77,645</u>	<u>215</u>	<u>67</u>	<u>282</u>	<u>3,723,616</u>
Expenditures:								
Current:								
General government	5,500		5,500				-	5,500
Public safety		15,596	42,358				-	42,358
Public works and environment			472,929	100,273			-	573,202
Recreation and social services			726,524				-	726,524
Education			2,298,055				-	2,298,055
Total expenditures	<u>5,500</u>	<u>15,596</u>	<u>3,545,366</u>	<u>100,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,645,639</u>
Excess (deficiency) of revenues over expenditures	<u>2,696</u>	<u>(9,316)</u>	<u>100,323</u>	<u>(22,628)</u>	<u>215</u>	<u>67</u>	<u>282</u>	<u>77,977</u>
Other financing sources (uses):								
Capital lease issuance			83,578				-	83,578
Transfers in		6,000	128,730				-	128,730
Transfers out			(474,490)			(67)	(67)	(474,557)
Total other financing sources (uses)	<u>-</u>	<u>6,000</u>	<u>(262,182)</u>	<u>-</u>	<u>-</u>	<u>(67)</u>	<u>(67)</u>	<u>(262,249)</u>
Net change in fund balance	2,696	(3,316)	(161,859)	(22,628)	215	-	215	(184,272)
Fund Balance at Beginning of Year	<u>31,764</u>	<u>2,030</u>	<u>3,520,374</u>	<u>173,223</u>	<u>13,576</u>	<u>4,223</u>	<u>17,799</u>	<u>3,711,396</u>
Fund Balance at End of Year	<u>\$ 34,460</u>	<u>\$ (1,286)</u>	<u>\$ 3,358,515</u>	<u>\$ 150,595</u>	<u>\$ 13,791</u>	<u>\$ 4,223</u>	<u>\$ 18,014</u>	<u>\$ 3,527,124</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.

Scholarship Fund - to account for donations and student fundraising to provide financial assistance for graduating seniors specifically to support postgraduate education.

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, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
High School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>202,481</u>	\$ <u>368,140</u>	\$ <u>393,107</u>	\$ <u>177,514</u>
Liabilities:				
Due to student groups and others	\$ <u>202,481</u>	\$ <u>368,140</u>	\$ <u>393,107</u>	\$ <u>177,514</u>
Middle School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>71,685</u>	\$ <u>260,275</u>	\$ <u>246,011</u>	\$ <u>85,949</u>
Liabilities:				
Due to student groups and others	\$ <u>71,685</u>	\$ <u>260,275</u>	\$ <u>246,011</u>	\$ <u>85,949</u>
Kearns School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>3,276</u>	\$ <u>7,491</u>	\$ <u>7,656</u>	\$ <u>3,111</u>
Liabilities:				
Due to student groups and others	\$ <u>3,276</u>	\$ <u>7,491</u>	\$ <u>7,656</u>	\$ <u>3,111</u>
Wells Road School Activity Fund				
Assets:				
Cash and cash equivalents	\$ <u>22,220</u>	\$ <u>62,672</u>	\$ <u>63,295</u>	\$ <u>21,597</u>
Liabilities:				
Due to student groups and others	\$ <u>22,220</u>	\$ <u>62,672</u>	\$ <u>63,295</u>	\$ <u>21,597</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, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Scholarship Fund				
Assets:				
Cash and cash equivalents	\$ <u>68,869</u>	\$ <u>12,900</u>	\$ <u>18,600</u>	\$ <u>63,169</u>
Liabilities:				
Due to students	\$ <u>68,869</u>	\$ <u>12,900</u>	\$ <u>18,600</u>	\$ <u>63,169</u>
Contract Security				
Assets:				
Accounts receivable	\$ <u>63,889</u>	\$ <u>45,300</u>	\$ <u>5,295</u>	\$ <u>103,894</u>
Liabilities:				
Due to contractors	\$ <u>63,889</u>	\$ <u>45,300</u>	\$ <u>5,295</u>	\$ <u>103,894</u>
Flexible Spending				
Assets:				
Cash and cash equivalents	\$ <u>1,864</u>	\$ <u>32,428</u>	\$ <u>24,860</u>	\$ <u>9,432</u>
Liabilities:				
Due to employees	\$ <u>1,864</u>	\$ <u>32,428</u>	\$ <u>24,860</u>	\$ <u>9,432</u>
Total All Funds				
Assets:				
Cash and cash equivalents	\$ 370,395	\$ 743,906	\$ 753,529	\$ 360,772
Accounts receivable	<u>63,889</u>	<u>45,300</u>	<u>5,295</u>	<u>103,894</u>
Total	\$ <u>434,284</u>	\$ <u>789,206</u>	\$ <u>758,824</u>	\$ <u>464,666</u>
Liabilities:				
Due to student groups and others	\$ 368,531	\$ 711,478	\$ 728,669	\$ 351,340
Due to contractors	<u>63,889</u>	<u>45,300</u>	<u>5,295</u>	<u>103,894</u>
Due to employees	<u>1,864</u>	<u>32,428</u>	<u>24,860</u>	<u>9,432</u>
Total	\$ <u>434,284</u>	\$ <u>789,206</u>	\$ <u>758,824</u>	\$ <u>464,666</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									
	2020	2019	2018	2017**	2016	2015	2014*	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$ 52,748	\$ 50,338	\$ 49,698	\$ 49,033	\$ 48,091	\$ 47,125	\$ 46,045	\$ 44,113	\$ 46,714	\$ 47,290
Restricted	169	191	222	194	254	312	383	446	517	580
Unrestricted	<u>4,363</u>	<u>2,082</u>	<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>
Total Governmental Activities Net Position	<u>\$ 57,280</u>	<u>\$ 52,611</u>	<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>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
General government	\$ 4,691	\$ 5,227	\$ 4,830	\$ 5,119	\$ 4,330	\$ 3,728	\$ 3,210	\$ 3,264	\$ 3,410	\$ 2,999
Public safety	3,093	3,061	2,927	3,500	3,294	3,161	2,977	2,867	4,479	2,591
Public works and environment	4,764	5,091	4,670	4,676	4,327	3,956	4,264	4,156	4,190	4,392
Recreation and social services	1,730	1,667	1,638	1,776	1,623	1,494	1,428	1,354	1,347	1,325
Education	42,600	38,326	40,844	39,795	37,830	36,600	35,624	34,363	35,371	32,901
Interest on long-term debt	444	577	699	814	941	1,046	1,141	1,093	1,157	1,274
Total governmental activities expenses	<u>57,322</u>	<u>53,949</u>	<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>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	1,143	1,382	993	696	712	606	689	500	525	543
Education	1,531	1,256	1,212	813	1,378	1,287	1,332	1,518	2,669	2,194
Other	1,345	1,604	1,421	1,911	1,879	1,620	1,543	1,286	1,217	1,221
Operating grants and contributions	15,508	11,660	14,322	14,431	11,870	11,732	12,225	12,228	12,712	10,374
Capital grants and contributions	1,723	332	140		328	417		313	5	3
Total governmental activities program revenues	<u>21,250</u>	<u>16,234</u>	<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>
Net (expense) revenue:										
Governmental activities	<u>(36,072)</u>	<u>(37,715)</u>	<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>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	39,952	38,434	36,596	35,962	34,988	34,124	33,215	32,699	31,780	31,186
Grants and contributions not restricted to specific purposes	112	132	226	486	417	256	805	452	244	310
Unrestricted investment earnings	337	341	184	98	90	76	45	42	51	130
Other general revenues	341	85	175	157	70	174	38	93	57	225
Total governmental activities	<u>40,742</u>	<u>38,992</u>	<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>
Changes in net position:										
Governmental activities	<u>\$ 4,670</u>	<u>1,277</u>	<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>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Committed	\$ 52	\$ 51	\$ 50	\$ 51	\$ 8	\$ 8	\$ 16	\$ 16	\$ 11	\$ 5
Assigned	735	684	1,094	1,270	1,662	1,676	1,715	1,819	1,785	2,082
Unassigned	<u>8,927</u>	<u>5,930</u>	<u>4,122</u>	<u>3,491</u>	<u>3,012</u>	<u>2,586</u>	<u>2,871</u>	<u>2,227</u>	<u>1,742</u>	<u>2,372</u>
Total General Fund	<u>\$ 9,714</u>	<u>\$ 6,665</u>	<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>
All other governmental funds:										
Nonspendable	\$ 18	\$ 18	\$ 18	\$ 17	\$ 19	\$ 19	\$ 19	\$ 19	\$ 19	\$ 19
Restricted	1,248	1,307	1,643	1,656	1,805	1,732	1,808	1,496	1,567	1,288
Committed	3,025	3,580	3,497	3,459	3,921	4,320	4,752	6,452	2,596	2,848
Unassigned	<u>(36)</u>	<u></u>	<u>(40)</u>	<u>(42)</u>	<u></u>	<u></u>	<u>(91)</u>	<u>(12)</u>	<u>(294)</u>	<u>(2)</u>
Total All Other Governmental Funds	<u>\$ 4,255</u>	<u>\$ 4,905</u>	<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>

Notes:

1. Schedule prepared on the modified accrual basis of accounting

TABLE 4

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

	FISCAL YEAR										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:											
Property taxes	\$ 39,935	\$ 38,385	\$ 36,783	\$ 36,068	\$ 34,955	\$ 34,052	\$ 33,236	\$ 32,684	\$ 31,684	\$ 31,121	\$ 30,667
Intergovernmental	13,397	14,365	12,030	14,817	12,375	12,206	12,948	12,594	13,743	11,714	11,937
Licenses, fees and charges for services	2,291	2,811	2,268	2,611	3,164	3,104	3,011	2,914	3,087	2,684	2,702
Investments income	314	325	174	88	78	66	38	36	43	117	212
Other	793	554	690	580	499	754	673	586	815	656	539
Total revenues	56,730	56,440	51,945	54,164	51,071	50,182	49,906	48,814	49,372	46,292	46,057
Expenditures:											
General government	4,246	4,636	4,121	4,381	3,606	3,573	3,403	3,397	3,400	3,008	3,040
Public safety	2,816	2,789	2,603	3,286	3,131	2,989	2,871	2,660	4,424	2,510	2,397
Public works and environment	3,518	3,740	3,469	3,420	3,169	3,235	3,164	3,056	3,011	3,236	3,447
Recreation and social services	1,538	1,571	1,563	1,632	1,554	1,415	1,352	1,296	1,310	1,255	1,211
Education	36,874	37,175	34,644	36,150	33,997	33,736	33,390	32,309	33,019	31,753	32,309
Capital outlay	3,214	2,661	2,619	3,152	2,578	3,401	3,868	8,385	2,540	1,788	1,940
Debt service:											
Principal	2,285	2,825	2,820	2,815	2,810	2,335	2,335	2,325	2,358	2,828	2,968
Interest	482	601	714	829	946	1,042	1,122	970	1,072	1,199	1,335
Total expenditures	54,973	55,998	52,553	55,665	51,791	51,726	51,505	54,398	51,134	47,577	48,647
Excess of Revenue Over (Under) Expenditures	1,757	442	(608)	(1,501)	(720)	(1,544)	(1,599)	(5,584)	(1,762)	(1,285)	(2,590)
Other Financing Sources (Uses):											
Transfers in	2,053	1,963	2,091	2,013	3,473	2,457	1,925	1,895	1,807	2,206	1,414
Transfers out	(2,053)	(1,963)	(2,091)	(2,013)	(3,473)	(2,457)	(1,925)	(1,895)	(1,807)	(2,206)	(1,414)
Premium on bond								671			
Issuance of capital leases	643	744	1,089	976	807	795	673	804	577	557	664
Issuance of bonds								8,700			
Total other financing sources	643	744	1,089	976	807	795	673	10,175	577	557	664
Net Change in Fund Balances	\$ 2,400	\$ 1,186	\$ 481	\$ (525)	\$ 87	\$ (749)	\$ (926)	\$ 4,591	\$ (1,185)	\$ (728)	\$ (1,926)
Debt Service as a Percentage of Noncapital Expenditures	5.32%	6.49%	6.56%	6.71%	7.42%	6.74%	7.06%	6.91%	6.90%	8.70%	8.98%

Notes:

1. 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						
2020	\$ 823,029,650	\$ 55,793,990	\$ 5,685,330	\$ 27,019,850	\$ 93,306,000	\$ 1,004,834,820	39.61	\$ 1,435,478,810	70
2019	817,415,590	51,739,310	5,660,690	24,786,730	90,958,890	990,561,210	38.69	1,415,087,440	70
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

Source: Town of Granby Office of Tax Assessor

TABLE 6

**TOWN OF GRANBY, CONNECTICUT
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
2020	10.89	26.37	2.35	39.61
2019	10.4	25.35	2.94	38.69
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

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 2020 AND 2011**

Grand List Year 10/1/2018				Grand List Year 10/1/2009			
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	\$ 14,278,680	1	1.42	Connecticut Light & Power	\$ 6,517,130	1	0.62
Granby Developers LLC	4,158,770	2	0.41	Granby Developers	5,090,470	2	0.49
Upstream Developers LLC	4,087,230	3	0.41	Baygrape Associates	3,738,980	3	0.36
Arrow Concrete Products	3,683,650	4	0.37	Granby Holdings LLC	3,407,950	4	0.32
E Living LLC	3,504,420	5	0.35	Halmar Inc	2,986,200	5	0.28
Baygrape Associates	3,461,640	6	0.34	Arrow Concrete Products	2,822,220	6	0.27
Granby Holdings LLC	3,364,270	7	0.33	Pierce Enterprises, LLC	2,700,470	7	0.26
Halmar Inc	2,687,020	8	0.27	Granby Center Associates	2,332,330	8	0.22
Etydan Ventures LLC	2,260,550	9	0.22	Riverbend Associates, Inc.	2,158,280	9	0.21
Granby Center Associates	2,035,530	10	0.20	Guarco, Michael B & David	1,378,630	10	0.13
Total	\$ 43,521,760		4.32		\$ 33,132,660		3.16

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
2020	39.61	\$ \$ 39,927,011	\$ 39,593,826	99.17 %	N/A	\$ \$ 39,593,826	99.17 %
2019	38.69	38,430,416	38,087,804	99.11	N/A	38,087,804	99.11
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

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
2020	\$ 10,776	\$ 151	\$ 10,626	0.74%	\$ 947	\$ 1,997	\$ 12,774	\$ 1,123	1.75%
2019	13,109	173	12,936	0.91%	1,158	2,113	15,222	1,344	2.19%
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%

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, 2020

Total tax collections (including interest and lien fees) for year ended June 30, 2019					\$ 38,384,564
Reimbursements for revenue loss for the year ended June 30, 2019:					
Tax relief for the elderly					<u>70,750</u>
Base					<u>\$ 38,455,314</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation					
2-1/4 times base	\$ 86,524,457	\$	\$	\$	\$
4-1/2 times base		173,048,913			
3-3/4 times base			144,207,428		
3-1/4 times base				124,979,771	
3 times base					115,365,942
Total debt limitation	<u>86,524,457</u>	<u>173,048,913</u>	<u>144,207,428</u>	<u>124,979,771</u>	<u>115,365,942</u>
Indebtedness:					
Bonds and notes payable	<u>4,556,450</u>	<u>5,638,550</u>			
Net indebtedness	<u>4,556,450</u>	<u>5,638,550</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 81,968,007</u>	<u>\$ 167,410,363</u>	<u>\$ 144,207,428</u>	<u>\$ 124,979,771</u>	<u>\$ 115,365,942</u>

Note: In no case shall total indebtedness exceed \$269,187,198 or seven times annual receipts from taxation

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limitation	\$ 269,187	\$ 258,002	\$ 253,001	\$ 245,196	\$ 238,835	\$ 233,144	\$ 229,251	\$ 222,205	\$ 218,289	\$ 215,058
Total net debt applicable to limit	10,195	12,480	16,844	19,664	22,479	25,289	27,624	29,959	32,034	25,892
Legal Debt Margin	\$ <u>258,992</u>	\$ <u>245,522</u>	\$ <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>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>3.79%</u>	<u>4.84%</u>	<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>

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)
2020	11,375	\$ 54,714	47.7	1,785	4.30%	\$ 64,337
2019	11,323	52,140	47.7	1,863	2.60%	61,353
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

- (1) Source: Connecticut Department of Public Health and Census
 (2) Source: Bureau of Economic Analysis
 (3) Source: Annual Budget
 (4) Source: Connecticut Department of Labor
 (5) Source: Census ACS

U.S. Census - American Fact Finder
 U.S. BEA data
 Board of Education
 Connecticut Department of Labor
 U.S. Census data

TABLE 13

**TOWN OF GRANBY, CONNECTICUT
PRINCIPAL EMPLOYERS
2020 AND 2010**

Employer	Nature of Business	2020		2010	
		Employees	Rank	Employees	Rank
Hsc	Advertising - Direct Mail	500-999	1	N/A	
Town of Granby	Local Municipal Government	300-375	2	467	1
Meadow Brook Nursing Home	Medical Services	100-249	3	131	4
Imperial Nursery/Monrovia	Nursery Production	100-249	4	275	3
Stop and Shop	Supermarket	100-249	5	130	5
Geissler's Supermarket	Retail Sales	100-249	6	97	6
Salmon Brook Vet Hospital	Veterinary Hospital	50-99	7	68	7
Stateline Oil	Service/fabrication	50-99	8	50	8
High Meadow - Seasonal	Entertainment	50-99	9	N/A	
Arrow Concrete	Industrial	20-49	10	N/A	
TJ Maxx	Retail	20-49	11	49	9
Farmington Valley YMCA	Recreation and Social Services	20-49	12	284	2
CVS	Retail			40	10
Total		-	0.0	1,591	0.0

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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function/Program										
General government	11	11	11	11	11	11	11	11	11	11
Police	23	23	23	23	23	23	23	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	16	16
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>295.5</u>	<u>294.4</u>	<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>
Total	<u><u>351.5</u></u>	<u><u>350.4</u></u>	<u><u>346.4</u></u>	<u><u>351.2</u></u>	<u><u>360.2</u></u>	<u><u>354.8</u></u>	<u><u>355.6</u></u>	<u><u>370.2</u></u>	<u><u>372.9</u></u>	<u><u>378.3</u></u>

TABLE 15

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

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Building permits issued	1,315	2,430	1,155	900	954	993	1,047	889	1025	772
Building inspections conducted	1,490	2,475	1,393	1,310	1,325	1,300	1,275	1,120	994	1,101
Police:										
Physical arrests	60	104	157	129	166	114	206	206	140	118
Parking violations	26	12	2	0	0	15	0	0	0	0
Traffic violations	359	570	610	774	871	1,327	1,241	1,488	1,465	880
Fire:										
Emergency responses	184	182	209	246	224	212	210	211	281	249
Fires extinguished	24	24	24	40	16	10	21	73	25	30
Inspections	141	170	168	133	151	168	130	92	103	99
Refuse collection:										
Refuse collected (tons per day)	12.16	11.96	12.19	11.84	12	12.1	12.2	14.5	14.3	14.7
Recyclables collected (tons per day)	9.57	9.45	5.113	4.98	5.4	5.44	5.5	4.5	4.1	4
Other public works:										
Street resurfacing (miles)	3.2	3.66	3.67	3.32	3.74	0	3.5	3.6	1.75	2.15
Potholes repaired	174	195	162	153	138	162	142	150	145	155
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	68,592*	70,371	70,376	70,077	74,696	69,405	70,298	71,270	74,340	76,006
Total volumes borrowed	77,861**	97,814	97,157	114,999	112,148	142,701	130,409	132,215	146,424	136,344
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)	133,000	132,000	135,000	139,000	115,000	135,000	120,000	130,000	130,000	160,000
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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	11	11	11	10	10	10	10	10	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	95.9	95.9	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	153	153	152	152	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)	6	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire hydrants	36	36	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	5.31
Storm sewers (miles)	11.6	11.6	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