

# Town of Simsbury Connecticut



## Comprehensive Annual Financial Report

For The Fiscal Year Ended  
June 30, 2019

# **Comprehensive Annual Financial Report**

of the

## **TOWN OF SIMSBURY, CONNECTICUT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Department of Finance  
Amy Meriwether  
Director of Finance



# Introductory Section

**TOWN OF SIMSBURY, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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JUNE 30, 2019**

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# Town of Simsbury

933 HOPMEADOW STREET

P.O. BOX 495

SIMSBURY, CONNECTICUT 06070

December 12, 2019

To the Board of Selectmen, Board of Education, Board of Finance, Town Manager and citizens of the Town of Simsbury:

Connecticut State Statutes require that all municipal entities publish within six months of the close of the fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Simsbury, Connecticut for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the Town of Simsbury, Connecticut. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Simsbury has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefit, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Blum, Shapiro & Company, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Simsbury for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Simsbury financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Simsbury's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Town of Simsbury was incorporated as Connecticut's twenty-first Town in May 1670. It has a land area of approximately 34.5 square miles and a population of approximately 24,979. Centrally located in the heart of the New York - Boston corridor, Simsbury is a most attractive and diverse suburban community. As a part of the beautiful Farmington Valley, Simsbury offers an unmatched quality of life with a traditional New England town atmosphere in a setting of rolling hills, the picturesque Farmington River and well-manicured properties. Simsbury is conveniently located 20 minutes northwest of Hartford and 20 minutes southwest of Bradley International Airport.

The Town of Simsbury operates under a Charter revised as of December 4, 2017. The form of government is Board of Selectmen/Town Manager - Board of Finance - Referendum. There are five Selectmen (2-year term) and a First Selectman (2-year term). There is also an eight-member Board of Education (4-year term) and a six member Board of Finance (6-year term). Effective December 4, 2017 the Town Manager is the full-time Chief Executive and Chief Administrative Officer of the town - a role formerly performed by the First Selectman/Selectwoman. The legislative authority of the government is vested in the Board of Selectmen. The Charter requires an automatic referendum for the annual budget and for expenditures in excess of 2% of the annual budget.

The Town of Simsbury provides a full range of services, including police protection; the construction and maintenance of streets and other infrastructure; recreational activities and cultural events; and a public school system which is one of the finest in the state and national level for excellence. Certain sanitation services are provided by a legally separate Water Pollution Control Authority, which functions in essence as a department of the Town of Simsbury and therefore its operations have been included as an integral part of the Town of Simsbury's financial statements.

## **Annual Budget Process**

The budget serves as the foundation of the Town of Simsbury's financial planning and control. The proposed budget is presented during at least one Board of Finance Public Hearing in April. The proposed budget is subject to an automatic referendum by all qualified voters of the Town to be held from 14 to 21 days after the Board of Finance files the approved budget with the Town Clerk. Should the referendum fail to adopt the budget, the Board of Finance, in cooperation with the Town Manager, Board of Selectmen and Board of Education, shall revise the annual budget, or that portion thereof which has been rejected at the referendum, and present it at a subsequent Board of Finance Public Hearing and referendum for acceptance. If the budget remains unaccepted at the second referendum, the budget adopted for the then current fiscal year becomes the temporary budget on a month-to-month basis until a new budget is adopted.



## **Local Economy**

Early in 1994, the Town hired a full-time professional Economic Development Coordinator who formulated a Strategic Plan to guide the Town's economic development efforts to help stimulate the growth of high quality development. A fiscal impact study was completed in January 1995 to formulate a development strategy for the future. The Town encourages economic development through financial participation in the construction of roads and infrastructure. Economic development efforts have focused on outreach programs, growing home-based businesses, and marketing various commercial and industrial properties to international corporations. An indicator of the Town's success in carrying out its economic development plan was the move of the International Skating Center of Connecticut to town. The Center features a twin ice rink Olympic training facility, a professional dance studio, a fully-equipped weight and fitness center, a state-of-the-art sound system, a pro shop and lounge, and spectator seating for roughly 1,700 people. More recently, an outdoor Performing Arts Center, able to host a full symphony orchestra, with seating area for 10,000 was completed.

The Town supported economic development by constructing the Iron Horse Boulevard, a central downtown street that allows residents and shoppers to move quickly north and south through the Town behind the majority of the Town's retail establishments without cutting off access to those stores.

On the commercial level, the Town's retail centers include the completely rebuilt Simsbury Commons (formally the Farmington Valley Mall), the recently renovated Drake Hill Mall, and the Simsbury Town Shoppes.

Dyno Nobel/Ensign-Bickford Industries, with its related companies, is one of the Town's top five largest taxpayers. The company owns substantial real estate in the Town on which it has developed high quality residential structures and over 235,000 square feet of Class A office and research space. The company's Powder Forest Business Park has approximately 550 acres for development and its strict design and construction standards ensure a high level of aesthetics in harmony with the surrounding land.

The former Hartford Special Machine, Inc., building and its site were purchased by a partnership of developers and is now known as Tower Business Park. The building, originally 68,000 square feet on one floor, was completely renovated and a 51,000 square foot second floor was added for a total of 119,000 square feet of rental office space. A second three-story office building containing 45,000 square feet was added. Currently, both Chubb Executive Risk, Inc., a national insurance company employing about 550 people, and Blue Ridge Insurance, employing about 140 people, occupy the site.

The Town's current unemployment rate is 2.4% compared to the State average of 3.6% and the national average of 3.7%.

## **Long-Term Financial Planning**

The Town and Board of Education has a six year Capital Improvement Plan which totals approximately \$51 million, of which is estimated that \$43.2 million will be funded through debt and the remainder from the tax levy, grants and fund balance.

## **Relevant Financial Policies**

The Town of Simsbury's written financial policies are as follows:

- CNR and Capital Policy
- Capital Asset Policy
- Investment Policy
- Pension Investment Policy and Investment Objectives
- Defined Contribution Pension Plan Investment Policy
- Other Post Employment Benefit (OPEB) Trust Investment Policy

- Board of Education Non-Lapsing Account Policy
- Purchasing Policy
- Fund Balance Policy
- Debt Policy

The Town's debt policy establishes, as a long term objective, that debt retirement expenses (interest and principal) be at a rate of not more than 7% of the total annual budget. For the year ended June 30, 2019, the annual debt retirement expense percentage in relation to the total annual budget was 6.0% and therefore in compliance with the Town's debt policy.

### **Major Initiatives**

At the April 23, 2019 Regular Meeting of the Board of Finance, the Board approved the following major projects which were subsequently approved at Referendum:

- \$2,600,000 was approved and authorized to be funded through the issuance of bonds for a partial roof replacement at Simsbury High School
- \$1,185,000 was approved and authorized to be funded via cash, grants and the issuance of bonds for highway pavement management
- \$750,000 was approved and authorized to be funded through the issuance of bonds for district security improvements
- \$350,000 was approved and authorized to be funded via cash for a new accounting system
- \$325,000 was approved and authorized to be funded through the issuance of bonds for underground tank replacements at Tariffville Elementary School and Simsbury High School
- \$200,000 was approved and authorized to be funded via cash for sidewalk reconstruction
- \$100,000 was approved and authorized to be funded via cash for Greenway improvements

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for fiscal year ended June 30, 2018. This was the twentieth consecutive year that we have received this prestigious award. In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized comprehensive annual financial report. The report published satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. In addition, the accounting firm of Blum, Shapiro & Company, P.C., made substantial contributions in the development of this document. Due credit also should be given to the Town Manager, First Selectman, Board of Selectmen, Board of Education and the Board of Finance for their cooperation, assistance and support throughout the year in matters pertaining to the financial affairs of the Town.

Respectfully submitted,



Amy Meriwether  
Director of Finance/Treasurer



Government Finance Officers Association

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

Presented to

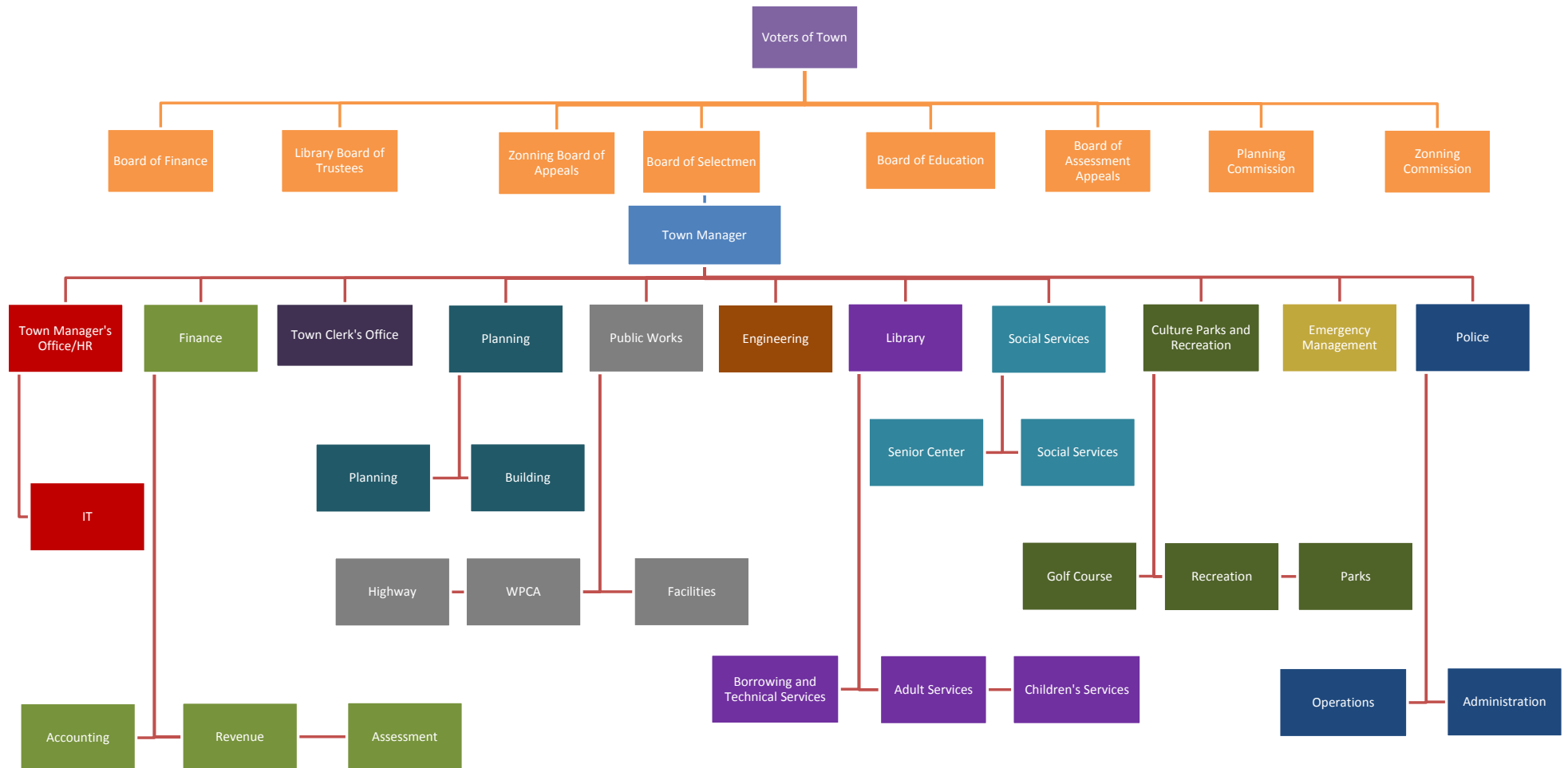
**Town of Simsbury  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



## **PRINCIPAL OFFICIALS**

**June 30, 2019**

### **BOARD OF SELECTMEN**

Eric Wellman, First Selectman  
Chris M. Kelly, Deputy 1st Selectman  
Sean P. Askham  
Cheryl B. Cook  
Mike R. Paine  
Chris Peterson

### **BOARD OF EDUCATION**

Tara Donohue Willerup, Chairman  
Todd S. Burrick  
Susan Salina  
Jeffrey Tindall  
Lydia A. Tedone  
Thomas Frank  
Jennifer Batchelar  
Brian Watson

### **BOARD OF FINANCE**

Robert D. Pomeroy, Jr., Chairman  
Linda J. Schofield, Vice Chairman  
Derek R. Peterson  
Moira K. Wertheimer  
Kevin Prell  
Lisa Heavner

### **APPOINTED OFFICIALS**

Matthew Curtis, Superintendent  
Burke LaClair, School Business Manager  
Amy Meriwether, Director of Finance/Treasurer  
Ericka Butler, Town Clerk  
Colleen O'Connor, Tax Collector  
David Gardner, Assessor  
Kevin J. Kowalski, Director of Civil Preparedness  
Kristen Formanek, Social Service Director  
Thomas Tyburski, Director of Culture, Parks & Recreation  
Mike Glidden, Director of Planning  
Robin Newton, Conservation Officer  
Henry Miga, Building Official  
Jeff Shea, Town Engineer  
Updike, Kelley & Spellacy, Town Attorney



# Financial Section

## **Independent Auditors' Report**

To the Board of Finance  
Town of Simsbury, 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 Simsbury, Connecticut, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Simsbury, 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 Simsbury, Connecticut, as of June 30, 2019 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 Simsbury, 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 Simsbury, Connecticut, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 27, 2018, 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 budget schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2018 financial statements. The accompanying General Fund budget schedules have been subjected to the auditing procedures applied in the audit of the 2018 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 budget schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019 on our consideration of the Town of Simsbury, 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 Simsbury, 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 Simsbury, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 12, 2019

**TOWN OF SIMSBURY, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

The management of the Town of Simsbury, Connecticut (the Town) offers 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, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

- At the end of the fiscal year the town's unassigned general fund balance was \$16,460,519 or 16.70% of General Fund expenditures.
- On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$109,866,359 for Governmental Activities.
- As of the close of the current fiscal year, the Town's Governmental Funds reported combined ending fund balances of \$35,124,446, an increase of \$8,271,461 in comparison with the prior year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets 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 is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, planning and development, public safety, facility management, culture and recreation, health, insurances, education, special projects and long-term debt.

The government-wide financial statements can be found on pages 14 and 15 of this report.

## **Fund Financial Statements**

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

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

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 maintains 38 individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Sewer Use Fund, BOE Programs Fund and the Capital Project Fund, all of which are considered to be major funds.

Data from the other 34 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 to 19 of this report.

**Proprietary Funds** - The Town maintains a Self-Insurance Fund to account for the self-insurance program for health insurance coverage for the Town and Board of Education employees.

The basic proprietary fund financial statements can be found on pages 20 to 22 of this report.

**Fiduciary Funds** - 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 statements because the resources of those funds are not available to support the Town's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

The basic fiduciary fund financial statements can be found on pages 23 to 24 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 to 70 of this report.

## **Required Supplementary Information**

This report contains certain supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees.

## **Other Information**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 88 to 109 of this report.

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets exceeded liabilities by \$109,866,359 at the close of the most recent fiscal year.

By far, the largest portion of the Town's net position is its net investment in capital assets (e.g., land, buildings, machinery and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets, net of accumulated depreciation, 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.

## **NET POSITION - GOVERNMENTAL ACTIVITIES**

	<b>Governmental Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Current assets	\$ 44,094,205	\$ 35,661,299
Capital assets, net of accumulated depreciation	131,700,179	136,365,558
Noncurrent assets	2,764,411	3,115,238
Total Assets	<u>178,558,795</u>	<u>175,142,095</u>
Deferred Outflow of Resources	<u>3,088,925</u>	<u>1,263,803</u>
Current liabilities	10,926,741	11,261,112
Noncurrent liabilities	59,069,529	51,453,186
Total Liabilities	<u>69,996,270</u>	<u>62,714,298</u>
Deferred Inflow of Resources	<u>1,785,091</u>	<u>2,865,242</u>
Net Position:		
Net investment in capital assets	97,592,854	104,065,426
Unrestricted	<u>12,273,505</u>	<u>6,760,932</u>
Total Net Position	<u>\$ 109,866,359</u>	<u>\$ 110,826,358</u>

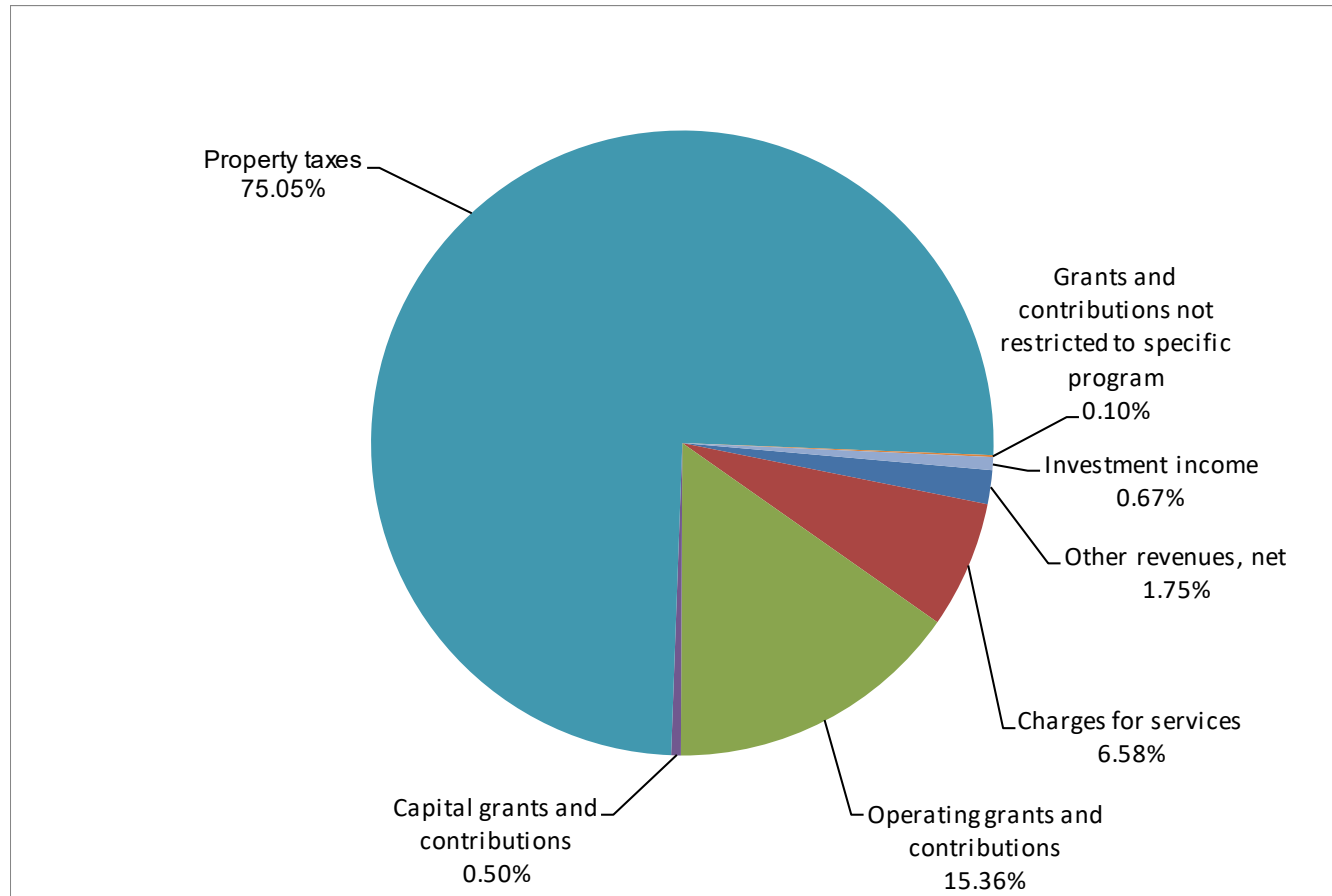
The government's net position decreased by \$959,999 or 0.86% during the current fiscal year from \$110,826,358 at June 30, 2018 to \$109,866,359 at June 30, 2019. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, is \$12,273,505 at the end of this year compared to \$6,760,358 at the end of the prior year for an increase of \$5,512,573.

#### CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 7,774,076	\$ 8,274,100
Operating grants and contributions	18,159,589	26,413,295
Capital grants and contributions	593,816	781,726
General revenues:		
Property taxes	88,730,412	87,415,877
Grants and contributions not restricted to specific purpose	116,910	187,541
Unrestricted investment earnings	794,773	387,674
Other general revenues, net	2,064,349	1,033,041
Total revenues	<u>118,233,925</u>	<u>124,493,254</u>
Program expenses:		
General government	2,802,078	2,634,618
Planning and development	1,014,484	1,660,834
Public safety	6,058,746	5,559,388
Facility management	9,385,514	8,530,110
Culture and recreation	6,099,059	5,862,399
Health and welfare	965,885	909,646
Education	92,106,333	95,466,144
Interest on long-term debt	761,825	553,117
Total expenses	<u>119,193,924</u>	<u>121,176,256</u>
Change in net position	(959,999)	3,316,998
Net Position - July 1	<u>110,826,358</u>	<u>107,509,360</u>
Net Position - June 30	<u>\$ 109,866,359</u>	<u>\$ 110,826,358</u>

Total revenues were \$118,233,925 and \$124,493,254 for the years ended June 30, 2019 and 2018, respectively. Total cost of all programs and services were \$119,193,924, and \$121,176,256, respectively, for the years ended June 30, 2019 and 2018. Net position decreased by \$959,999 for the year ended June 30, 2019, while net position increased by \$3,316,998 for the year ended June 30, 2018.

## **Revenue by Source - Governmental Activities**



## **Governmental Activities**

Major revenue factors during the year include:

- Property taxes collected increased by \$1,314,535 or 1.5%.
- Charges for goods and services decreased by \$500,024 or (6%). Illustrated below is a comparison between 2019 and 2018:

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
General government	\$ 803,803	\$ 861,158	\$ (57,355)
Planning and development	40	20	20
Public safety	454,809	287,766	167,043
Facility management	4,047,484	4,450,358	(402,874)
Culture and recreation	1,498,999	1,694,672	(195,673)
Health and welfare	1,875	365	1,510
Education	967,066	979,761	(12,695)
	<u>\$ 7,774,076</u>	<u>\$ 8,274,100</u>	<u>\$ (500,024)</u>

- Operating Grants and contributions decreased by \$8,253,706:

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
General government	\$ 329,563	\$ 586,655	\$ (257,092)
Planning and development	1,308,617	1,083,664	224,953
Public safety	19,263	5,593	13,670
Facility management	76,078	176,232	(100,154)
Culture and recreation	43,307	138,070	(94,763)
Health and welfare	390,954	192,154	198,800
Education	<u>15,991,807</u>	<u>24,230,927</u>	<u>(8,239,120)</u>
	<u>\$ 18,159,589</u>	<u>\$ 26,413,295</u>	<u>\$ (8,253,706)</u>

- Capital grants and contributions decreased by \$187,910. Illustrated below is a breakdown comparison between 2019 and 2018:

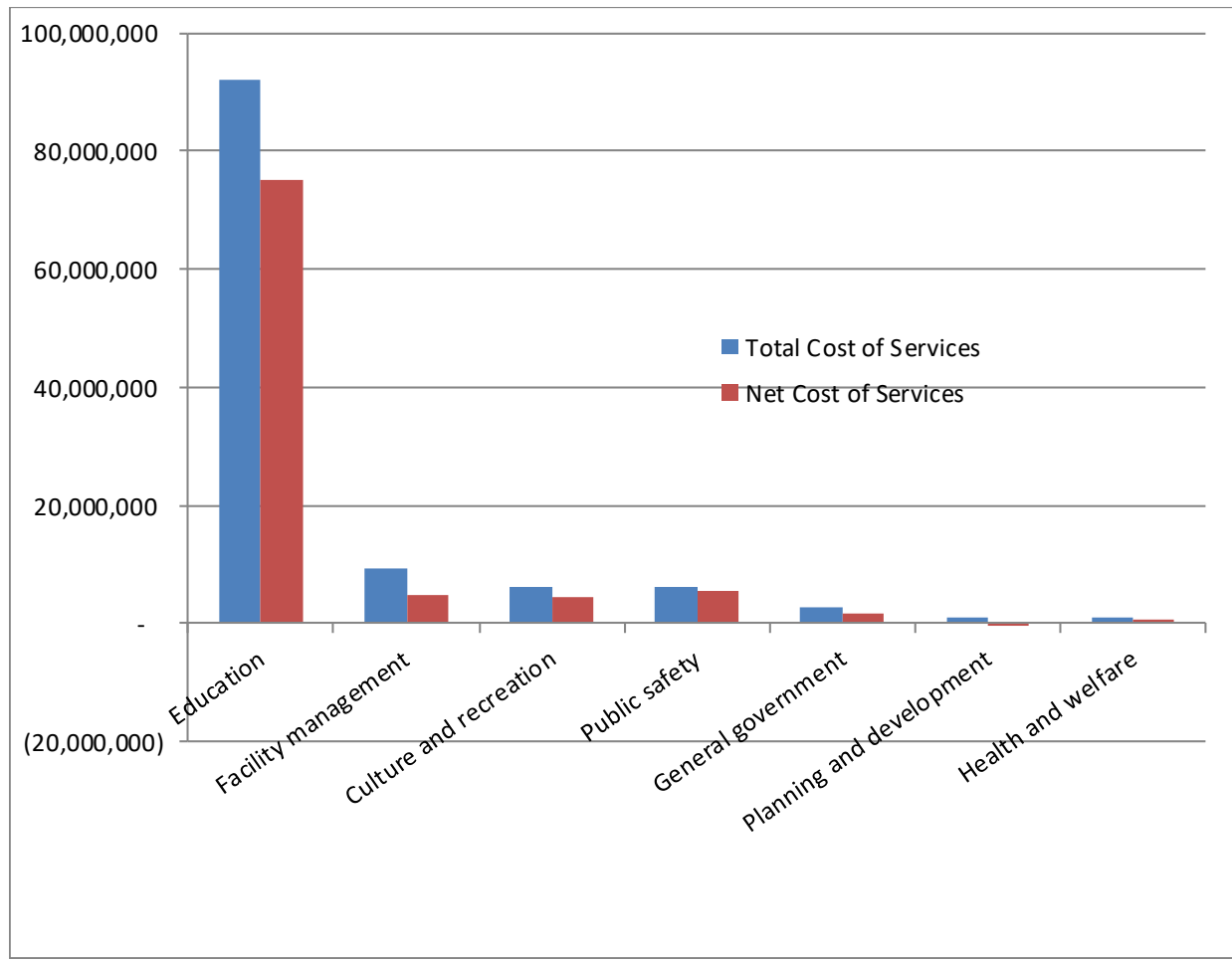
	<u>2019</u>	<u>2018</u>	<u>Variance</u>
General government	\$	\$	\$ -
Planning and development		30,495	(30,495)
Public safety			-
Facility management	510,734	751,231	(240,497)
Culture and recreation			-
Health and welfare			-
Education	<u>83,082</u>		<u>83,082</u>
	<u>\$ 593,816</u>	<u>\$ 781,726</u>	<u>\$ (187,910)</u>

The following table presents the cost of each of the Town's 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.

**GOVERNMENTAL ACTIVITIES**  
**For the Year Ended June 30, 2019**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 2,802,078	\$ (1,668,712)
Planning and development	1,014,484	294,173
Public safety	6,058,746	(5,584,674)
Facility management	9,385,514	(4,751,218)
Culture and recreation	6,099,059	(4,556,753)
Health and welfare	965,885	(573,056)
Education	<u>92,106,333</u>	<u>(75,064,378)</u>
	<u>\$ 118,432,099</u>	<u>\$ (91,904,618)</u>

## **Expenses and Program Revenue - Governmental Activities**



## **Financial Analysis of the Government's Funds**

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

### **Governmental Funds**

The focus of the Town's Governmental Funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved 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 \$35,124,446 representing an increase of \$8,271,461 or 30.8% in comparison with the prior year. Of this total amount, \$163,215 is non-spendable, \$1,478,410 is restricted by governmental grants, \$16,988,434 is committed by the Simsbury Board of Finance (Budget-Making Authority), \$228,239 is assigned and \$16,266,148 is unassigned. The \$16,266,148 unassigned fund balance is available for spending at the Town's discretion. The total unassigned fund balance is based on a positive general fund balance in that amount.



The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$16,460,519, while total fund balance was \$17,109,547. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Of this total fund balance \$35,789 is non-spendable, \$228,239 is assigned, and \$385,000 is committed, with the balance being unassigned in the amount the \$16,460,519. The total fund balance of the Town's General Fund increased by \$315,434 during the current fiscal year and the unassigned fund balance increased by \$2,080,297.

The Sewer Use Fund has a fund balance of \$6,406,503 at the end of the year, an increase of \$1,468,646 from the prior year. A portion of the fund balance is to be used to help pay the debt service on the Waste Water Treatment Plant \$26.8 million renovation and expansion capital project. This project was funded 100% by the State of Connecticut Clean Water Fund 2% Loan and Grant program. This project is completed and payments began on the 20-year, 2% loan program in September 2008. The loan will be repaid by future sewer user charges.

The Capital Project Fund has a fund balance of \$5,476,831 at the end of the year, representing an increase of \$6,133,126 over the prior year negative fund balance of (\$656,295). Fund balance increased as a result of borrowing for capital projects during the 2018/19 fiscal year.

Other nonmajor governmental funds have a total fund balance of \$5,324,664, representing an increase of \$286,710 from the prior year as illustrated.

<b>Nonmajor Governmental Funds</b>	<b>2019</b>	<b>2018</b>	<b>Variance</b>
Residential Rental Properties	\$ 340,995	\$ 303,322	\$ 37,673
Simsbury Farms Fund	73,202	31,826	41,376
General Government Program Fund	125,109	109,832	15,277
Public Safety Program Fund	440,022	357,799	82,223
Planning & Development Program Fund	379,022	366,022	13,000
Facilities Management Program Fund	1,220,450	1,114,151	106,299
Health & Welfare Program Fund	280,713	267,309	13,404
Culture & Recreation Program Fund	111,386	90,409	20,977
Sewer Assessment Fund	1,146,957	1,501,878	(354,921)
Cafeteria	185,170	145,144	40,026
State and Federal Education Grants	42		42
Capital and Nonrecurring Expenditures Fund	1,021,596	750,262	271,334
Total	\$ 5,324,664	\$ 5,037,954	\$ 286,710

### **General Fund Budgetary Highlights**

The original general fund budget including other financing sources and uses of \$96,518,369 was increased by \$2,841,137 to the final budget of \$99,359,506 due to the following:

- \$1,400,000 Transfer to the Health Insurance Fund
- \$1,000,000 Transfer to the Capital Reserve Fund
- \$557,300 Transfer to the following Special Revenue Funds
  - \$516,667 to the Simsbury Farms Fund
  - \$25,298 to the Hartford Charette Fund
  - \$13,000 to the Plan of Conservation & Development Grant Fund
  - \$2,335 to the Hazard Mitigation Fund

- \$250,000 Transfer to the Town Aid Road Fund
- \$120,000 Transfer to the Flower Bridge Capital Project Fund
- (\$89,670) budget savings in the contingency reserve line item
- (\$326,270) budget savings within the Public Works department, mainly related to \$259,209 in paving savings that was paid for by the Town Aid Road Fund
- (\$72,960) budget savings within the Police department, mainly related to salary savings

Overall revenues exceeded expenditures on a budgetary basis by \$565,672. Actual revenues were more than budgetary estimates by \$571,033 mainly related to the following:

- \$830,426 increased tax collections due to a conservative assumed collection rate
- \$829,109 in unexpected State grant funding
- \$552,158 in unexpected investment income
- \$468,463 in increased building department fees related to the early completion of a solar farm project
- \$51,646 received from the Town's insurance carrier as part of a members equity distribution
- \$1,249,778 bond premium revenue
- \$321,358 transfer in from the Capital Projects Fund
- (\$3,821,637) appropriation from fund balance that was not needed

Expenditures were less than budgetary estimates by \$5,341 due to slightly less than anticipated education expenditures.

### **Capital Asset and Debt Administration**

**Capital Assets** - The Town's investment in capital assets (net of accumulated depreciation) for its governmental activities as of June 30, 2019 amounted to \$131,700,179. This investment in capital assets included land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total net change in the Town's investment in capital assets for the current fiscal year was a decrease of \$4,665,379.

### **CAPITAL ASSETS (net of depreciation) June 30, 2019**

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Land	\$ 10,175,191
Development rights	11,725,000
Construction in progress	6,531,804
Buildings and improvements	84,646,217
Land improvements	1,393,862
Equipment	5,343,056
Infrastructure	<u>11,885,049</u>
	<u>\$ 131,700,179</u>

Additional information on the Town's Capital Assets can be found in Note 3C on page 39 of this report.

**Long-term Debt** - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$35,209,077, of which \$5,225,909 is due within one year. All of the debt is backed by the full faith and credit of the Town.

**OUTSTANDING DEBT**  
**June 30, 2019**

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General obligation bonds	\$ 25,550,000
Loan payable - Clean Water Fund	9,614,932
Loan payable - State of Connecticut	<u>44,145</u>
	<u>\$ 35,209,077</u>

The Town's total debt increased during the current fiscal year by \$3,930,595. This increase was the result new debt issued in the current fiscal year.

The Town has an "Aaa" rating from Standard and Poor's and Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.0 times its total prior years' tax collections. The current debt limitation for the Town is \$613,118,891 which is significantly more than the Town's outstanding general obligation debt.


Additional information on the Town's long-term debt can be found in Note 3E on pages 42 to 45 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The Town's elected Board of Finance considered many factors when setting the fiscal year 2019/20 budget spending guideline and mill rate. Factors included the economy, consumer price index, comparative town data, and the State budget situation. The current unemployment rate for the Town of Simsbury as of October 2019 was 2.5%, which is consistent with the prior year. This compares to the State's average unemployment rate of 3.6% and the national average rate of 3.6%.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance/Treasurer for the Town of Simsbury.



# **Basic Financial Statements**

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 36,149,795
Investments	3,734,055
Accounts receivable	3,294,157
Due from fiduciary funds	27,633
Loans receivable	350,827
Inventories	30,291
Other assets	507,447
Total current assets	<u>44,094,205</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	28,431,995
Depreciable, net	103,268,184
Loans receivable	2,764,411
Total noncurrent assets	<u>134,464,590</u>
Total assets	<u>178,558,795</u>
Deferred Outflows of Resources:	
Deferred outflows related to pension	2,963,427
Deferred outflows related to OPEB	86,810
Deferred charge on refunding	38,688
Total deferred outflows of resources	<u>3,088,925</u>
Liabilities:	
Current liabilities:	
Accounts payable	3,192,826
Accrued interest payable	101,902
Unearned revenues	773,599
Bonds and loans payable	5,225,909
Compensated absences	886,413
Claims liability	741,092
Landfill closure	5,000
Total current liabilities	<u>10,926,741</u>
Noncurrent liabilities:	
Bonds and loans payable	32,606,616
Net pension liability	19,925,597
Net OPEB liability	6,051,733
Compensated absences	445,583
Landfill closure	40,000
Total noncurrent liabilities	<u>59,069,529</u>
Total liabilities	<u>69,996,270</u>
Deferred Inflows of Resources:	
Advance property tax collections	170
Advance sewer use collections	14,302
Deferred inflows related to pension	921,798
Deferred inflows related to OPEB	848,821
Total deferred inflows of resources	<u>1,785,091</u>
Net Position:	
Net investment in capital assets	97,592,854
Unrestricted	12,273,505
Total Net Position	<u>\$ 109,866,359</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Function/Program Activities	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
					Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 2,802,078	\$ 803,803	\$ 329,563	\$	\$ (1,668,712)
Planning and development	1,014,484	40	1,308,617		294,173
Public safety	6,058,746	454,809	19,263		(5,584,674)
Facility management	9,385,514	4,047,484	76,078	510,734	(4,751,218)
Culture and recreation	6,099,059	1,498,999	43,307		(4,556,753)
Health and welfare	965,885	1,875	390,954		(573,056)
Education	92,106,333	967,066	15,991,807	83,082	(75,064,378)
Interest on long-term debt	761,825				(761,825)
Total Governmental Activities	<u>\$ 119,193,924</u>	<u>\$ 7,774,076</u>	<u>\$ 18,159,589</u>	<u>\$ 593,816</u>	<u>(92,666,443)</u>
General Revenues:					
Property taxes, levied for general purposes					88,730,412
Grants and contributions not restricted to specific programs					116,910
Investment earnings					794,773
Other general revenues					2,064,349
Total general revenues					<u>91,706,444</u>
Change in net position					(959,999)
Net Position at Beginning of Year					<u>110,826,358</u>
Net Position at End of Year					<u>\$ 109,866,359</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	General Fund	Sewer Use Fund	BOE Programs Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 12,681,398	\$ 6,498,353	\$ 2,697,968	\$ 5,794,878	\$ 6,155,179	\$ 33,827,776
Investments	3,198,359		535,696			3,734,055
Receivables, net	1,296,878	29,970	345,644	379,389	1,231,461	3,283,342
Due from other funds	2,792,657		22,633			2,815,290
Inventories					30,291	30,291
Other assets	35,789	2,060		45,523	95,075	178,447
Total Assets	<u>\$ 20,005,081</u>	<u>\$ 6,530,383</u>	<u>\$ 3,601,941</u>	<u>\$ 6,219,790</u>	<u>\$ 7,512,006</u>	<u>\$ 43,869,201</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 1,680,656	\$ 109,578	\$ 7,383	\$ 742,959	\$ 631,497	\$ 3,172,073
Due to other funds			2,787,657			2,787,657
Due to other governments					20,753	20,753
Unearned revenue	50,628				722,971	773,599
Total liabilities	<u>1,731,284</u>	<u>109,578</u>	<u>2,795,040</u>	<u>742,959</u>	<u>1,375,221</u>	<u>6,754,082</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	817,699					817,699
Unavailable revenue - property tax interest	346,381					346,381
Unavailable revenue - sewer assessments					790,382	790,382
Unavailable revenue - loans receivable					21,739	21,739
Advance sewer use collections		14,302				14,302
Advance property tax collections	170					170
Total deferred inflows of resources	<u>1,164,250</u>	<u>14,302</u>	<u>-</u>	<u>-</u>	<u>812,121</u>	<u>1,990,673</u>
Fund Balances:						
Nonspendable	35,789	2,060			125,366	163,215
Restricted			46,626		1,431,784	1,478,410
Committed	385,000	6,404,443	760,275	5,476,831	3,961,885	16,988,434
Assigned	228,239					228,239
Unassigned	16,460,519				(194,371)	16,266,148
Total fund balances	<u>17,109,547</u>	<u>6,406,503</u>	<u>806,901</u>	<u>5,476,831</u>	<u>5,324,664</u>	<u>35,124,446</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,005,081</u>	<u>\$ 6,530,383</u>	<u>\$ 3,601,941</u>	<u>\$ 6,219,790</u>	<u>\$ 7,512,006</u>	<u>\$ 43,869,201</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**

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)	\$ 35,124,446
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 242,147,238	
Less accumulated depreciation	<u>(110,447,059)</u>	
Net capital assets		131,700,179

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

Loans receivable	3,136,977
Property tax receivables greater than 60 days	1,164,080
Sewer assessments receivable	790,382
Interest receivable on sewer use receivable	10,815
Deferred outflows related to pension	2,963,427
Deferred outflows related to OPEB	86,810

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.

1,909,927

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

Bonds payable	(25,550,000)
Unamortized bond premium	(2,623,448)
Deferred charge on refunding	38,688
Clean Water Fund 2% loan	(9,614,932)
Notes payable	(44,145)
Interest payable on bonds	(101,902)
Compensated absences	(1,331,996)
Net pension liability	(19,925,597)
Net OPEB liability	(6,051,733)
Deferred inflows related to pension	(921,798)
Deferred inflows related to OPEB	(848,821)
Landfill liability	<u>(45,000)</u>

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>109,866,359</u></u>
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The accompanying notes are an integral part of the financial statements



**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>	<b>Sewer Use Fund</b>	<b>BOE Programs Fund</b>	<b>Capital Project Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Fund</b>
Revenues:						
Property taxes	\$ 88,687,364	\$	\$	\$	\$	\$ 88,687,364
Intergovernmental	11,751,227	419,964	361,513	279,869	6,401,628	19,214,201
Investment income (loss)	727,158	15,545	31,210		20,860	794,773
Charges for goods and services	626,542				2,892,059	3,518,601
Licenses and permits	1,310,154					1,310,154
Rental of town-owned property	156,406					156,406
Local revenues	54,796					54,796
Assessments		2,600,259			133,860	2,734,119
Other		1,042,918	280,643	354,729	386,059	2,064,349
Total revenues	<u>103,313,647</u>	<u>4,078,686</u>	<u>673,366</u>	<u>634,598</u>	<u>9,834,466</u>	<u>118,534,763</u>
Expenditures:						
Current:						
General government	2,178,770				45,187	2,223,957
Planning and development	584,322				363,265	947,587
Public safety	4,799,775				320,303	5,120,078
Facility management	3,997,642	1,972,826			282,231	6,252,699
Culture and recreation	2,370,622				2,165,831	4,536,453
Health and welfare	683,825				187,266	871,091
Fringe benefits and insurances	5,412,531					5,412,531
Education	74,482,066		605,821		6,225,011	81,312,898
Capital outlay				5,377,569	984,755	6,362,324
Debt service:						
Principal payments	3,365,000	1,061,375			8,628	4,435,003
Interest and other	698,100	203,832		101,527		1,003,459
Total expenditures	<u>98,572,653</u>	<u>3,238,033</u>	<u>605,821</u>	<u>5,479,096</u>	<u>10,582,477</u>	<u>118,478,080</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,740,994</u>	<u>840,653</u>	<u>67,545</u>	<u>(4,844,498)</u>	<u>(748,011)</u>	<u>56,683</u>
Other Financing Sources (Uses):						
Transfers in	445,063	1,213,097		3,867,754	1,723,101	7,249,015
Transfers out	(6,120,401)	(585,104)		(1,255,130)	(688,380)	(8,649,015)
Premium on bond issuance	1,249,778					1,249,778
Bond issuance				8,365,000		8,365,000
Total other financing sources (uses)	<u>(4,425,560)</u>	<u>627,993</u>	<u>-</u>	<u>10,977,624</u>	<u>1,034,721</u>	<u>8,214,778</u>
Net Change in Fund Balances	315,434	1,468,646	67,545	6,133,126	286,710	8,271,461
Fund Balances at Beginning of Year	<u>16,794,113</u>	<u>4,937,857</u>	<u>739,356</u>	<u>(656,295)</u>	<u>5,037,954</u>	<u>26,852,985</u>
Fund Balances at End of Year	<u>\$ 17,109,547</u>	<u>\$ 6,406,503</u>	<u>\$ 806,901</u>	<u>\$ 5,476,831</u>	<u>\$ 5,324,664</u>	<u>\$ 35,124,446</u>

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 8,271,461
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	3,749,668
Depreciation expense	(5,743,833)
Loss on disposal of capital assets	(2,671,214)

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 taxes collected after 60 days	38,930
Sewer assessment revenue	(77,583)
Loans receivable	(343,886)
Sewer use interest receivable	4,118

Deferred outflows related to pension	1,752,981
Deferred outflows related to OPEB	142,501

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

Bond issuance	(8,365,000)
Premium on bonds issued	(1,249,778)
Premium amortization	214,892
Accrued interest	42,009
Principal payments	4,434,405
Pension liability	(3,217,960)
OPEB liability	(90,907)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of deferred charge on refunding	(14,669)
Deferred inflows related to pension	434,320
Deferred inflows related to OPEB	151,575
Change in long-term compensated absences	(80,703)
Other - landfill	5,000

The net profit (loss) of the internal service funds is reported with governmental activities.	<u>1,653,674</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (959,999)</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	<b>Governmental Activities Health Insurance Fund</b>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,322,019
Prepaid items	<u>329,000</u>
Total current assets	2,651,019
Liabilities:	
Current liabilities:	
Claims incurred but not reported	<u>741,092</u>
Net Position:	
Unrestricted	\$ <u><u>1,909,927</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities Health Insurance Fund</b>
Operating Revenues:	
Charges for services	\$ 13,984,140
Other operating revenue	483,286
Total operating revenues	<u>14,467,426</u>
Operating Expenses:	
Claims incurred	13,235,164
Administration and stop loss insurance fees	978,588
Total operating expenses	<u>14,213,752</u>
Operating Income	253,674
Transfers In	<u>1,400,000</u>
Change in Net Position	1,653,674
Net Position at Beginning of Year	<u>256,253</u>
Net Position at End of Year	<u><u>\$ 1,909,927</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities Health Insurance Fund</b>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 14,467,426
Payments to employees	(15,322,279)
Net cash provided by (used in) operating activities	<u>(854,853)</u>
Cash Flows from Noncapital Financing Activities:	
Payments from (to) other funds	<u>1,400,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	545,147
Cash and Cash Equivalents at Beginning of Year	<u>1,776,872</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>2,322,019</u></u>
Reconciliation of Operating (Income) Loss to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>253,674</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Decrease in accounts receivable	40
(Increase) decrease in prepaid items	40,583
Increase (decrease) in accounts payable	(6,245)
Increase (decrease) in claims payable	<u>(1,142,905)</u>
Total adjustments	<u>(1,108,527)</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u><u>(854,853)</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ 904,961	\$ 1,221,234
Investments, at fair value:		
Mutual funds	78,409,636	
Private equity funds	3,740,304	
Accounts receivable	<u>70,148</u>	
Total assets	<u>83,125,049</u>	<u>\$ 1,221,234</u>
Liabilities:		
Accounts payable	28,174	\$
Due to student groups and others		1,193,601
Due to other funds		<u>27,633</u>
Total liabilities	<u>28,174</u>	<u>\$ 1,221,234</u>
Net Position Restricted for Pension and Other Post Employee Benefits	<u>\$ 83,096,875</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF SIMSBURY, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 3,781,738
Plan members	<u>1,104,062</u>
Total contributions	<u>4,885,800</u>
Investment earnings:	
Change in fair value of investments	2,460,776
Interest	<u>2,009,675</u>
Total investment gain (loss)	<u>4,470,451</u>
Less investment expenses:	
Investment management fees	<u>129,676</u>
Net investment gain (loss)	<u>4,340,775</u>
Total additions	<u>9,226,575</u>
Deductions:	
Benefits	5,468,893
Administrative expense	<u>169,361</u>
Total deductions	<u>5,638,254</u>
Net Change in Net Position	3,588,321
Net Position at Beginning of Year	<u>79,508,554</u>
Net Position at End of Year	<u><u>\$ 83,096,875</u></u>

The accompanying notes are an integral part of the financial statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The Town of Simsbury, Connecticut (the Town) operates under a charter as revised November 8, 2016, effective December 4, 2017. The Town is governed by an elected Board of Selectmen consisting of a first selectman and five other members, an elected eight-member Board of Education, and an elected six-member Board of Finance.

The Board of Selectmen appoints a Town Manager who shall be the chief executive and the administrative official of the Town and shall serve at the pleasure of the Board of Selectmen. The Town Manager is appointed on the basis of executive and administrative qualifications, character, education, training and experience. The Town Manager devotes full working time to the duties of the office.

The Town Manager is responsible to the Board of Selectmen for carrying out all acts and policies of the Board of Selectmen, and all resolutions and ordinances adopted by the Town. The Town Manager is responsible for the administration of the Town consistent with the policies established by the Board of Selectmen and for carrying out such other duties and responsibilities as set forth in the Charter.

The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 61 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

### **B. Basis of Presentation**

The accompanying financial statements have been prepared in conformity with GAAP as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

#### **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. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues.



**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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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. Certain indirect costs are allocated as part of the program expense reported for individual functions and activities and are not eliminated in the process of consolidation. 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.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds use the accrual basis of accounting but have no measurement focus since they report only assets and liabilities.

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.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The Town reports the following major governmental funds:

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

The *Sewer Use Fund* is the sewer treatment plant primary operating fund. It accounts for all financial resources associated with the operations of the sewer treatment plant. The major sources of revenue for this fund is sewer assessments and use charges.

The *Board of Education Program Fund* accounts for Board of Education programs including district activity for the Kathleen Magowan Revocable Trust, the Farmington Valley Transitional Academy, and other scholarship donations, gifts and distributions of trust income.

The *Capital Project 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 Project Fund. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* is used to account for the Town's self-insurance program for accident and health insurance coverage of Town and Board of Education employees.

The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities of the Town's defined benefit plans and the Town and Board of Education for other post employment benefits (e.g., health insurance, life insurance) which accumulate resources for pension benefit and other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held by the Town on behalf of students.

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 revenue includes all taxes.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

**C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

**D. Investments**

Investments are stated at fair value.

**E. Inventories and Prepaid Items**

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

**F. Receivables and Payables**

**Due from/to Other Funds**

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."

**Loans Receivable**

Loans receivable in the Planning and Development Program Fund are related to small cities loans. Loans receivable in the governmental activities are due from participating municipalities for their portion of the waste water treatment plant renovation and expansion capital project. Loans receivable are recorded and revenues recognized as earned.

**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 government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Infrastructure:	
Roads	30-50
Sewer Lines and Water Lines	50
Bridge/Large Culverts	30-50
Dams	50
Land and Buildings:	
Land	-
Buildings	50 -75
Construction in progress	-
Vehicles and Equipment:	
Fire Equipment	20-25
Ambulances	5
Construction Equipment	5
Machinery and Equipment	3-10
Vehicles	3-15

#### **H. Deferred Outflows/Inflows of Resources**

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

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 deferred inflows related to pension and OPEB in the government-wide statement of net position. The Town also reports advance property tax collections and advance sewer use collections, in the government-wide statement of net position and in the governmental funds balance sheet. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience. 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). Advance property tax collections and advance sewer use collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, property tax interest, sewer assessment and loans receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

#### **I. 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.

#### **J. Net Other Post Employment (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.

#### **K. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. 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.

#### **L. Compensated Absences and Termination Benefits**

Employees are paid by prescribed formula for absence due to vacation or sickness. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **M. 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. The Town currently has no assets under restriction.

##### **Unrestricted Net Position**

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

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

##### **Nonspendable Fund Balance**

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

##### **Restricted Fund Balance**

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

##### **Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Simsbury Board of Finance). The Board of Finance is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or reverse the limitation.

**TOWN OF SIMSBURY, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

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**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by the finance director or the Board of Finance which have 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. Property Taxes**

The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in June, the legal right to attach property does not exist until July 1. Real and personal property tax bills in excess of \$100 are due and payable in two installments, on July 1 following the date of the Grand List and on January 1 of the subsequent year. Motor vehicle taxes are payable in one installment on July 1.

Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1.

Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent year's assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

**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.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

Budgets for the General Fund, Sewer Use Fund, Residential Rental Properties Fund and Simsbury Farms Fund are authorized annually by the Board of Finance. Annual budgets are not adopted for Special Revenue Funds other than the Sewer Use Fund, Residential Rental Properties Fund and Simsbury Farms Fund.

The annual budget making process is outlined in Chapter IV of the Simsbury Town Charter, "The Board of Selectmen" and in Chapter VIII, "Finance and Taxation", according to the following schedule:

- |               |   |
|---------------|---|
| By January 31 | The head of each department, office, or agency of the Town except the Board of Education files with the Director of Finance a detailed estimate of the expenditures to be made by such department, office, or agency and the revenues, other than tax revenue, to be collected thereby in the ensuing fiscal year.  |
| By March 1    | The Director of Finance compiles department estimates for the annual budget and under the direction of the First Selectman presents to the Board of Selectmen the completed budget of all boards, offices, and agencies, except the Board of Selectmen.   |
| By March 15   | The Board of Education presents its budget to the Director of Finance, the Board of Finance and the Board of Selectmen.   |
| By March 31   | The Board of Selectmen presents to the Board of Finance a budget for all departments, offices, and agencies of the Town, except the Board of Education, consisting of: (a) a budget message; (b) estimates of revenue; and (c) itemized estimates of expenditures. As part of the budget the First Selectman presents a program approved by the Board of Selectmen of proposed capital projects for the ensuing fiscal year and the five (5) fiscal years thereafter. |

The Board of Finance holds one or more public hearings the first of which must be held not later than the tenth day of April at which time any Elector or taxpayer has an opportunity to be heard. The Board of Finance, by resolution adopted by an affirmative vote of at least four (4) members after holding the final public hearing, and no more than ten (10) days after the final public hearing, approve a budget and file the same with the Town Clerk for submission to the Automatic Referendum for its adoption. Should the Board of Finance fail to approve a budget no more than ten (10) days after such final public hearing, the budget as transmitted by the Board of Selectmen and by the Board of Education is deemed to have been finally approved by the Board of Finance.

The annual budget becomes effective only after it has been approved by resolution of the Board of Finance and adopted at an automatic referendum held following the final public hearing by a majority vote at such referendum. The Board of Finance, within five (5) days following the adoption of the budget by referendum, fixes the tax rate in mills which is levied on all taxable property in the Town for the ensuing fiscal year. Should the budget not be approved at referendum, the Board of Finance, in cooperation with the First Selectman, revises the budget for presentation at a subsequent public hearing and referendum. If the Budget remains unaccepted at the second referendum, the adopted budget for the then current fiscal year becomes the temporary budget on a month-to-month basis until a new budget is adopted.



**TOWN OF SIMSBURY, CONNECTICUT  
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JUNE 30, 2019**

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Upon request of the Board of Selectmen, during the last six months of the fiscal year, the Board of Finance may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another, except for the Board of Education. No transfer shall be made from any appropriation for debt service and other statutory charges.

For management purposes, the Board of Finance is authorized to transfer the legally budgeted amounts between department accounts. In this function, departmental budget accounts serve as the legal level of control for the General Fund. The legal level of budgetary control is at the fund level for the Sewer Use, Residential Rental Properties and Simsbury Farms funds.

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

Subject to certain restrictions, additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen. Summarizations of the amended General Fund budgets approved by the Board of Finance for the "budgetary" general and certain special revenue funds are presented in the required supplementary information. During the year there were \$2,841,137 of supplemental budgetary appropriations, of which \$1,019,500 were made from additional revenue and \$1,821,637 were made from General Fund unappropriated and unencumbered surplus.

### **3. DETAILED NOTES ON ALL FUNDS**

#### **A. Cash, Cash Equivalents and Investments**

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

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

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

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Deposits**

**Deposit Custodial Credit Risk**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$25,504,135 of the Town's bank balance of \$28,563,117 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 22,919,038
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,585,097</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 25,504,135</u>

**Cash Equivalents**

At June 30, 2019, the Town's cash equivalents amounted to \$12,840,571. 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><b>Standard &amp; Poor's</b></u>
State Short-Term Investment Fund (STIF)	AAAm
Morgan Stanley - Money Market	*

\* Not rated

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Investments**

As of June 30, 2019, the Town had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities		
			Less Than 1	1-10	More Than 10
U.S. Government Securities	Aaa	\$ 500,096	\$ 500,096	\$	\$
Certificates of deposit*	N/A	2,698,263	<u>2,448,166</u>	<u>250,097</u>	<u></u>
Other investments:			<u>\$ 2,948,262</u>	<u>\$ 250,097</u>	<u>\$ -</u>
Mutual funds	N/A	78,945,332			
Private Equity Funds	N/A	<u>3,740,304</u>			
Total Investments		\$ <u>85,883,995</u>			

\*Included in FDIC insurance.

**Investment Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party. The State of Connecticut STIF Investments are 2a-7 like pools.

**Credit Risk**

The Town's investment policy limits its investments to those in conformance with State Statutes governing qualified public depositories.

**Concentration of Credit Risk**

Maturities shall be staggered to avoid undue concentration of funds in a specific maturity. At least 10% of the portfolio shall be invested in overnight instruments or in marketable securities, which can be sold to raise cash in one day's notice.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Fair Value**

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, 2019:

	<b>June 30, 2019</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
U.S. Government Securities	\$ 500,096	\$ 500,096	\$	\$
Mutual Funds	<u>78,945,332</u>	<u>78,945,332</u>		
Total investments measured at fair value	79,445,428	<u>\$ 79,445,428</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV):				
Cornerstone Patriot Fund LP	3,740,304			
Investments not included above:				
Certificates of deposit	<u>2,698,263</u>			
Total Investments	<u>\$ 85,883,995</u>			

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

Private equity funds - international are valued as described in the following schedule.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (If Currently Eligible)</b>	<b>Redemption Notice Period</b>
Cornerstone Patriot Fund LP	\$ 3,740,304	\$ -	Quarterly	60 days

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Interest Rate Risk**

The Town's investment policy limits its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Except for CNR and Risk Management Funds, funds of the Town shall be invested in instruments whose maturities do not exceed 270 days at the time of purchase, unless a temporary extension of maturities is approved by the Board of Finance.

The Pension Trust Funds are also authorized to invest in corporate bonds, domestic common stocks and domestic equity real estate. The investments of this fund are held in Trust by a Trustee Bank, which executes investment transactions under the direction of the Pension Plans' investment manager.

**B. Receivables**

Receivables at year end for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer Use Fund</u>	<u>BOE Programs Fund</u>	<u>Capital Projects Fund</u>	<u>Other Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 162,367	\$ 5,400	\$	\$ 1,278	\$ 165,656	\$ 334,701
Property taxes	853,130					853,130
Interest receivable	346,381					346,381
Special assessments		24,570			790,382	814,952
Due from other governments			345,644	378,111	345,571	1,069,326
Gross receivables	<u>1,361,878</u>	<u>29,970</u>	<u>345,644</u>	<u>379,389</u>	<u>1,301,609</u>	<u>3,418,490</u>
Less allowance for uncollectibles	<u>65,000</u>					<u>65,000</u>
Total Net Receivables*	<u>\$ 1,296,878</u>	<u>\$ 29,970</u>	<u>\$ 345,644</u>	<u>\$ 379,389</u>	<u>\$ 1,301,609</u>	<u>\$ 3,353,490</u>

\* Sewer interest of \$10,815 is recorded in the government-wide statements.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**C. Capital Assets**

Capital asset activity for the year ended June 30, 2019 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	\$ 10,175,191	\$	\$	\$ 10,175,191
Development rights	11,725,000			11,725,000
Construction in progress	6,546,189	4,017,583	4,031,968	6,531,804
Total capital assets not being depreciated	<u>28,446,380</u>	<u>4,017,583</u>	<u>4,031,968</u>	<u>28,431,995</u>
Capital assets being depreciated:				
Buildings and improvements	144,705,139	152,897	116,747	144,741,289
Land improvements	7,583,887	400,283	204,734	7,779,436
Equipment	20,933,443	1,911,299	1,980,691	20,864,051
Infrastructure	44,928,619	1,299,574	5,897,726	40,330,467
Total capital assets being depreciated	<u>218,151,088</u>	<u>3,764,053</u>	<u>8,199,898</u>	<u>213,715,243</u>
Less accumulated depreciation for:				
Buildings and improvements	56,630,905	3,495,218	31,051	60,095,072
Land improvements	6,275,358	190,259	80,043	6,385,574
Equipment	15,868,287	1,217,958	1,565,250	15,520,995
Infrastructure	31,457,360	840,398	3,852,340	28,445,418
Total accumulated depreciation	<u>110,231,910</u>	<u>5,743,833</u>	<u>5,528,684</u>	<u>110,447,059</u>
Total capital assets being depreciated, net	<u>107,919,178</u>	<u>(1,979,780)</u>	<u>2,671,214</u>	<u>103,268,184</u>
Governmental Activities Capital Assets, Net	<u>\$ 136,365,558</u>	<u>\$ 2,037,803</u>	<u>\$ 6,703,182</u>	<u>\$ 131,700,179</u>

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

Governmental activities:	
General government	\$ 313,799
Education	2,468,271
Public safety	127,026
Facility management	2,062,392
Culture and recreation	720,624
Health and welfare	<u>51,721</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,743,833</u>

The capitalization policy was changed effective for the year ended June 30, 2019 which raised the threshold for asset capitalization to \$10,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure. Assets under the threshold amounts were written off for the year ended June 30, 2019.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Construction Commitments**

The government has active construction projects as of June 30, 2019. The following is a summary of capital projects as of June 30, 2019:

<u>Project</u>	<u>Project Authorization</u>	<u>Spent to Date</u>
<u>Sewer Extension Projects:</u>		
Project 2010	\$ 260,000	\$ 238,810
Sewer Main Extensions	371,000	269,463
Hopmeadow/Center Area Sewer repairs	135,000	-
Portable Generator	80,000	35,813
Hopmeadow/Center Area Sewer Repairs	100,000	-
36 Drake Hill Rd Dike Analysis	75,000	-
Phosphorus Removal Analysis	150,000	-
Tariffville Area Sewer	100,000	-
WPC Plan update	100,000	-
Jet/Flush Truck	175,000	-
Tariffville Sewer	100,000	-
Primary Clarifier	75,000	-
Plant H2O Sys Rehab	80,000	-
<u>Town Projects:</u>		
Town Security Measures	77,600	46,384
Open Space - Betty Hudson Property	275,000	247,816
Senior/Community Center Design	321,699	163,596
Bridge Improvements (Design-FY15)	115,000	67,393
Technology Infrastructure	635,395	495,359
Weatogue Planning Route 10 and Code Prep	57,000	-
Town Hall Site and Safety Improvements	45,000	13,620
Portable Generator / Generator Infrastructure	80,000	79,418
Project Planning Fund	28,000	9,800
Multi-Use Connections & Master Plan Updates	1,160,000	129,328
Open Space Planning Improvements	705,410	110,819
Street Lighting Purchase / Lighting Improvements	937,322	875,790
Dam Evaluations and Repairs	220,000	108,105
Public Works Complex Infrastructure Improvements	700,000	184,093
Town Hall Site and Safety Improvements	385,000	4,673
Portable Generator Infrastructure	175,000	74,773
Land Use Studies	92,500	19,246
Storage Building	65,000	-
Street Lighting Purchase / Lighting Improvements	400,000	4,855
Finance Security Upgrades	230,000	76,643
Eno Memorial Hall Renovations	300,000	261,348
Cold Storage Facility	380,000	4,612
Town Facilities Master Plan	400,000	13,495
Library Interior/Parking Renovations	584,500	125,106
Library Lower Level Improvements	906,048	683,139
Zoning Regulation Update	65,000	5,000
Bridge Improvements	805,000	28,991
Sidewalk Resurface	250,000	24,542
Multi-Use Trail	1,020,000	-
Highway Pavement Management	845,000	816,820
Greenway Improvements	275,000	26,538
Fencing at Bandshell (PAC)	100,000	-

**TOWN OF SIMSBURY, CONNECTICUT**  
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Education Projects:

HJMS Phase 1A	1,255,000	1,168,300
SHS Turf Field Replacement	910,000	862,911
Squadron Line Main Office Project	1,050,000	868,830
Climate Control Phases 1 (FY16) & 2 (FY17)	3,100,000	2,248,988
Central School Roof Replacement	770,000	620,603
HJMS Renovation - Phase 2	1,950,000	1,751,859
SHS Tennis Court Replacement	740,000	565,214
Boiler Replacement Latimer	900,000	-
School Security Improvements	850,000	480,155
School Facility Master Plan	200,000	43,647
District Network Infrastructure	400,000	150,657
HJMS Renovation - Phase 3	23,965,620	1,437,414

Capital Nonrecurring Projects:

Ceiling/Floor Replacement	120,000	140,698
Communications Equipment	20,000	17,848
Consultant	40,000	39,796
DWW Expenses	25,000	44,027
HVAC Modifications	35,000	9,571
Machinery & Equipment	126,400	114,627
Plumbing Modifications	45,000	33,235
Mowers	103,000	98,232
Park Improvements	40,000	4,832
Police Vehicles	293,000	304,348
Renovations - Exterior	233,000	163,094
Renovations - Interior	327,700	72,463
Road Improvements	601,261	477,375
School Buses	1,096,000	739,057
Tech & Program Equipment	43,850	18,373
Trucks	454,250	456,394

Total	\$ 54,130,555	\$ 18,177,936
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The commitments are being financed with general obligation bonds, state and federal grants, and general fund transfers.

**D. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	BOE Programs Fund	\$ 2,787,657
General Fund	Agency Funds	5,000
BOE Programs Fund	Agency Funds	22,633
		<u>\$ 2,815,290</u>

Interfund balances are a result of temporary loans to various funds.



**TOWN OF SIMSBURY, CONNECTICUT**  
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Interfund transfers:

	<u>General Fund</u>	<u>Sewer Use Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Total Transfers Out</u>
Transfer out:						
General Fund	\$	\$	\$ 2,997,300	\$ 1,723,101	\$ 1,400,000	\$ 6,120,401
Sewer Use Fund	110,917		474,187			585,104
Capital Project Fund	215,213	691,760	348,157			1,255,130
Nonmajor Governmental Funds	118,933	521,337	48,110			688,380
Total Transfers In	<u>\$ 445,063</u>	<u>\$ 1,213,097</u>	<u>\$ 3,867,754</u>	<u>\$ 1,723,101</u>	<u>\$ 1,400,000</u>	<u>\$ 8,649,015</u>

Interfund transfers arose from transferring monies to fund operating activities.

**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2019 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 and loans payable:					
General obligation bonds	\$ 20,550,000	\$ 8,365,000	\$ 3,365,000	\$ 25,550,000	\$ 4,135,000
Premium on bonds issued	1,588,562	1,249,778	214,892	2,623,448	
Loans payable - Clean Water Fund	10,676,307		1,061,375	9,614,932	1,082,798
Loan payable - State of Connecticut	52,175		8,030	44,145	8,111
Total bonds and loans payable	32,867,044	9,614,778	4,649,297	37,832,525	5,225,909
Pension liability	16,707,637	3,217,960		19,925,597	
OPEB liability	5,960,826	90,907		6,051,733	
Compensated absences	1,251,293	1,024,912	944,209	1,331,996	886,413
Landfill closure	50,000		5,000	45,000	5,000
Total Governmental Activities Long-Term Liabilities	<u>\$ 56,836,800</u>	<u>\$ 13,948,557</u>	<u>\$ 5,598,506</u>	<u>\$ 65,186,851</u>	<u>\$ 6,117,322</u>

Compensated absences and other long-term liabilities are generally liquidated by the General Fund.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**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 of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2019</u>
Bonds payable:						
General Bonds	3/19/2013	5,555,000	1.50%	3/1/2023	550,000-560,000	\$ 2,200,000
General Bonds	6/30/2015	9,060,000	2.00-4.00%	7/15/2025	635,000-1,595,000	5,260,000
General Bonds	6/29/2017	10,940,000	2.00-5.00%	6/15/2027	1,215,000-1,220,000	9,725,000
General Bonds	6/27/2019	8,365,000	4.00-5.00%	6/15/2029	775,000-850,000	<u>8,365,000</u>
Total Bonds Payable						\$ <u>25,550,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,135,000	\$ 960,833	\$ 5,095,833
2021	3,705,000	825,375	4,530,375
2022	3,225,000	686,050	3,911,050
2023	3,250,000	550,400	3,800,400
2024	2,700,000	413,500	3,113,500
2025-2028	<u>8,535,000</u>	<u>706,250</u>	<u>9,241,250</u>
	\$ <u>25,550,000</u>	\$ <u>4,142,408</u>	\$ <u>29,692,408</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Clean Water Fund Loan**

The Town's Waste Water Treatment Plant \$26,840,083 renovation and expansion capital project was funded by the State of Connecticut Clean Water Fund 2% Loan and Grant program. The loan will be repaid by future sewer user charges.

Annual debt service requirements to maturity for the Clean Water Fund loan are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,082,798	\$ 182,409	\$ 1,265,207
2021	1,104,654	160,553	1,265,207
2022	1,126,951	138,256	1,265,207
2023	1,149,698	115,510	1,265,208
2024	1,172,903	92,304	1,265,207
2025-2028	<u>3,977,928</u>	<u>133,996</u>	<u>4,111,924</u>
	<u>\$ 9,614,932</u>	<u>\$ 823,028</u>	<u>\$ 10,437,960</u>

The Town has a corresponding receivable from participating municipalities for their portion of the Waste Water Treatment Plant renovation and expansion capital project. The total loan receivable at June 30, 2019 was \$3,115,238. Current year principal payments received by the Town totaled \$343,886.

**Project Loan**

The project loan obligation was issued by the State of Connecticut Department of Housing. The loan proceeds financed the Eno Farmhouse Renovation Project. The original loan balance was \$220,638 on June 10, 1994, with an interest rate of 1%. The obligation will be paid from future taxation.

Project loan obligations payable to the State of Connecticut mature as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 8,111	\$ 411	\$ 8,522
2021	8,192	330	8,522
2022	8,275	247	8,522
2023	8,358	164	8,522
2024	8,441	81	8,522
2025-2028	<u>2,768</u>	<u>9</u>	<u>2,777</u>
	<u>\$ 44,145</u>	<u>\$ 1,242</u>	<u>\$ 45,387</u>

**Authorized But Unissued Bonds**

The total of authorized but unissued bonds (net of projected grants) at June 30, 2019 is \$30,652,168.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Debt Limitation**

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 197,073,929	\$ 21,713,475	\$ 175,360,454
Schools	394,147,859	34,532,838	359,615,021
Sewers	328,456,549	9,614,932	318,841,617
Urban Renewal	284,662,342		284,662,342

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$613,118,891.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which debt is issued and outstanding.

**F. Fund Balance**

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	<u>General Fund</u>	<u>Major Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
		<u>Sewer Use Fund</u>	<u>BOE Programs Fund</u>		
Fund balances:					
Nonspendable:					
Inventory	\$ 35,789	\$ 2,060		\$ 30,291	\$ 30,291
Prepaid expenditures				95,075	132,924
Restricted for:					
Education trusts			46,626		46,626
Facilities management trusts				1,350,598	1,350,598
Health and welfare trusts				81,144	81,144
Education grants				42	42
Committed to:					
Sewer use		6,404,443			6,404,443
Sewer assessment			760,275	1,146,957	1,907,232
Education	385,000			154,879	539,879
General government				466,104	466,104
Public safety				440,022	440,022
Recreation				160,537	160,537
Planning and development				379,022	379,022
Health and welfare				199,569	199,569
Capital projects				5,476,831	1,014,795
Assigned to:					
Education	124,425				124,425
Culture and recreation	5,240				5,240
Public safety	10,653				10,653
General Government	35,320				35,320
Facilities management	52,601				52,601
Unassigned	16,460,519			(194,371)	16,266,148
Total Fund Balances	\$ 17,109,547	\$ 6,406,503	\$ 806,901	\$ 5,324,664	\$ 35,124,446

**TOWN OF SIMSBURY, CONNECTICUT  
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Significant encumbrances at June 30, 2019 contained in the above table in the assigned and committed categories are as follows:

	<u>Assigned</u>	<u>Committed</u>
General Fund	\$ 228,239	\$
Capital Projects Fund		109,520
Capital Nonrecurring Fund	<u>                    </u>	<u>                    </u>
	<u>\$ 228,239</u>	<u>\$ 109,520</u>

#### **4. EMPLOYEE RETIREMENT PLAN**

##### **A. Pension Trust Fund**

The Town maintains three single-employer defined benefit pension plans for full-time employees: General Government Plan, Police Plan and Board of Education Plan. The plans are considered to be part of the Town's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. The plans do not issue stand-alone financial reports.

Oversight of the Town's retirement plans rests with the Retirement Plan Sub-Committee, which is comprised of two members of the Board of Selectmen, two members of the Board of Education, two members of the Board of Finance and two members at large. The Sub-Committee is staffed by the Town Treasurer, the Board of Education's Business Manager and the Town Manager. The Town and the Board of Education have appointed a third party to serve as fiduciary investment advisor. Effective 2013, the Town of Simsbury's Charter was amended to place fiduciary responsibility for the investment of pension funds to the Board of Finance.

##### **Plan Description and Benefits Provided**

###### **General Government Pension Plan**

All full-time employees, except police and Board of Education employees, are eligible to participate in the General Government Pension Plan. Effective January 3, 2017, any Police Dispatcher Employee who is first hired on or after January 3, 2017 is not eligible to participate in the Plan. The Plan provides retirement benefits as well as death and disability benefits. Annual retirement benefits for normal retirement for plan participants are based on the average monthly compensation during the highest five consecutive years of service out of the last ten years of the participants' active employment. The plan permits early retirement for participants at age 55 with 5 years of credited service. Benefits for early retirement are based on credited service and final average earnings to date of actual retirement reduced by 1/3 of 1% for each month by which the participant's retirement date precedes his normal retirement date. The participants' annual benefit is 2% of final average earnings times credited service for union employees, and 2½% of final average earnings times credited service for unaffiliated employees. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

**Police Pension Plan**

All regular full-time employees of the Simsbury Police Department are eligible to participate in the Police Retirement Fund. The Plan provides retirement benefits as well as death benefits under two separate divisions. Division 000 participants are defined as those individuals who entered the plan on or after January 18, 1990, whereas Division 001 participants entered the plan prior to January 18, 1990. Pension benefits for normal retirement under the plan are based on average monthly compensation during the highest five consecutive years out of the last ten years. The participants' annual benefit is 2½% of final average earnings times credited service for Division 000, and 2% of final average earnings times credited service for Division 001. The Plan permits early retirement for participants at the earlier of 5 years early with 10 years of service or 20 years of credited service for Division 000, and at five years early with 10 years of credited service for Division 001. Benefits are based on credited service and final average earnings to date of actual retirement actuarially reduced for each month by which the participant's retirement date precedes his normal retirement date. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

**Board of Education Pension Plan**

All regular full-time employees of the Board of Education, other than individuals covered by the State Teachers Retirement System or those who participate in the defined contribution plan, are eligible to participate in the Plan. The Plan provides retirement benefits as well as disability benefits. Pension benefits for normal retirement under the Plan are based on the average earnings received in the last three July 1's before retirement for the National Association of Government Employees (NAGE); the average earnings received the last three completed years of employment for the Simsbury Federation of Educational Personnel (SFEP), and the highest average earnings received in any three consecutive July 1's during the last ten years before retirement for unaffiliated employees and the Simsbury School Nurses Association (SSNA). The participants' annual benefit shall be equal to 1½% of final average earnings times credited service through July 1, 1996, plus 2% of final average earnings times credited service after July 1, 1996. The plan permits early retirement for participants eligible five years early with ten years of credited service. Benefits are based on credited service and final average earnings to date and actual retirement reduced by 4% for each year by which the participant's retirement date precedes his normal retirement date. There is no reduction for NAGE employees after age 62 and 29 years of service or for unaffiliated employees after age 62 and 25 years of service. State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town of Simsbury Board of Education.

**TOWN OF SIMSBURY, CONNECTICUT  
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At July 1, 2018, plan membership consisted of the following:

	<b>General Government Plan</b>	<b>Police Plan</b>	<b>Board of Education Plan</b>
Retirees and beneficiaries currently receiving benefits	98	32	121
Vested terminated employees	49	2	87
Active employees	94	37	141
Total Participants	<u>241</u>	<u>71</u>	<u>349</u>

## **Summary of Significant Accounting Policies**

### **Basis of Accounting**

Pension plan 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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

### **Method Used to Value Investments**

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

## **Contributions**

### **General Government Plan**

This plan provides for union employee contributions of 2% and for unaffiliated 5% of regular earnings for employees, hired prior to August 12, 2013, and 7% for unaffiliated hired after that date. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$950,965, were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 13.37% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

### **Police Plan**

Plan provisions require employee contributions of 6% of regular earnings for Division 000 and employee contributions of 3% of regular earnings for Division 001. The Town is required by Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$586,956 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 17.26% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town.

Administrative costs of the plan are financed through investment earnings.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Board of Education Plan**

This plan provides for employee contributions of 4% to 4.5% of regular earnings, based on the current individual collective bargaining contract. The Town is required by its Charter to contribute amounts necessary to fund the plan. Employer contributions to the plan of \$1,086,598 were made in accordance with actuarially determined requirements. The contribution represents 100% of the actuarially determined contribution and 15.02% of covered payroll. State of Connecticut Statutes assign the authority to establish and amend the contribution provisions of the plan to the Town of Simsbury Board of Education.

Administrative costs of the plan are financed through investment earnings.

**Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance through active delegated involvement of the Retirement Plan Subcommittee by a majority vote of its members. It is the policy of the Board of Finance to pursue an investment strategy that reduces 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, 2019:

<u>Asset Class</u>	<u>Target</u>
U.S. Core Fixed Income	28.00 %
U.S. Equity Market	29.50
Foreign Developed Equity	22.50
Hedge FOF Diversified	10.00
Private Real Estate Property	5.00
Commodities	<u>5.00</u>
Total	<u><u>100.00 %</u></u>

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

General Government	4.84%
Police	5.88%
Board of Education	5.32%

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



**TOWN OF SIMSBURY, CONNECTICUT**  
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**Net Pension Liability of the Town**

The components of the net pension liability of the Town at June 30, 2019 were as follows:

	<u><b>General Government</b></u>	<u><b>Police</b></u>	<u><b>Board of Education</b></u>	<u><b>Total</b></u>
Total pension liability	\$ 33,014,397	\$ 21,533,405	\$ 31,771,170	\$ 86,318,972
Plan fiduciary net position	<u>24,955,570</u>	<u>17,688,088</u>	<u>23,749,717</u>	<u>66,393,375</u>
Net Pension Liability	<u>\$ 8,058,827</u>	<u>\$ 3,845,317</u>	<u>\$ 8,021,453</u>	<u>\$ 19,925,597</u>
Plan fiduciary net position as a percentage of the total liability	75.59 %	82.14 %	74.75 %	76.92 %

**Actuarial Assumptions**

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

	<u><b>General Government</b></u>	<u><b>Police</b></u>	<u><b>Board of Education</b></u>
Inflation	2.75%	2.75%	2.75%
Salary increases	3.5%	8.25%, for first 7 years and 3.00% thereafter	3.5%
Investment rate of return	6.75%, net of pension plan investment expense	6.75%, net of pension plan investment expense	6.75%, net of pension plan investment expense

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

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - July 1, 2012.

**TOWN OF SIMSBURY, CONNECTICUT**  
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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, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Long-Term Real Rate of Return</u></b>
U.S. Core Fixed Income	2.40 %
U.S. Equity Market	4.61
Foreign Developed Equity	5.55
Hedge FOF Diversified	1.97
Private Real Estate Property	3.85
Commodities	3.07

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. 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 liability.

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Changes in the Net Pension Liability**

*General Government*

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 31,124,049	\$ 24,431,309	\$ 6,692,740
Changes for the year:			
Service cost	629,377		629,377
Interest on total pension liability	2,156,775		2,156,775
Effect of economic/demographic gains or losses	206,134		206,134
Effect of assumptions changes or inputs	815,182		815,182
Benefit payments	(1,917,120)	(1,917,120)	-
Employer contributions		950,965	(950,965)
Member contributions		365,409	(365,409)
Net investment income		1,183,630	(1,183,630)
Administrative expenses		(58,623)	58,623
Balances as of June 30, 2019	<u>\$ 33,014,397</u>	<u>\$ 24,955,570</u>	<u>\$ 8,058,827</u>

*Police*

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 20,242,699	\$ 17,126,638	\$ 3,116,061
Changes for the year:			
Service cost	543,312		543,312
Interest on total pension liability	1,412,130		1,412,130
Effect of economic/demographic gains or losses	2,931		2,931
Effect of assumptions changes or inputs	578,872		578,872
Benefit payments	(1,246,539)	(1,246,539)	-
Employer contributions		586,956	(586,956)
Member contributions		270,561	(270,561)
Net investment income		1,001,959	(1,001,959)
Administrative expenses		(51,487)	51,487
Balances as of June 30, 2019	<u>\$ 21,533,405</u>	<u>\$ 17,688,088</u>	<u>\$ 3,845,317</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
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*Board of Education*

	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 29,435,168	\$ 22,536,332	\$ 6,898,836
Changes for the year:			
Service cost	712,212		712,212
Interest on total pension liability	2,064,354		2,064,354
Effect of economic/demographic gains or losses	135,169		135,169
Effect of assumptions changes or inputs	760,097		760,097
Benefit payments	(1,335,830)	(1,335,830)	-
Employer contributions		1,086,598	(1,086,598)
Member contributions		293,320	(293,320)
Net investment income		1,223,623	(1,223,623)
Administrative expenses		(54,326)	54,326
Balances as of June 30, 2019	\$ <u>31,771,170</u>	\$ <u>23,749,717</u>	\$ <u>8,021,453</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, 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:

	<b>1% Decrease (5.75%)</b>	<b>Current (6.75%)</b>	<b>1% Increase (7.75%)</b>
General Government	\$ 11,675,039	\$ 8,058,827	\$ 4,983,712
Police	6,431,046	3,845,317	1,669,480
Board of Education	11,370,630	8,021,453	5,145,906
Total	\$ <u>29,476,715</u>	\$ <u>19,925,597</u>	\$ <u>11,799,098</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the Town recognized pension expense of \$3,655,178. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<b>Deferred Outflows of Resources</b>				
	<b>General Government</b>	<b>Board of Education</b>	<b>Police</b>	<b>Totals</b>
Differences between expected and actual experience	\$ 528,652	\$ 88,559	\$ 68,015	\$ 685,226
Changes of assumptions	645,352	497,995	502,705	1,646,052
Net difference between projected and actual earning on pension plan investments	<u>329,420</u>	<u>198,745</u>	<u>103,984</u>	<u>632,149</u>
Total	<u>\$ 1,503,424</u>	<u>\$ 785,299</u>	<u>\$ 674,704</u>	<u>\$ 2,963,427</u>

<b>Deferred Inflows of Resources</b>				
	<b>General Government</b>	<b>Board of Education</b>	<b>Police</b>	<b>Totals</b>
Differences between expected and actual experience	\$ 51,877	\$ 106,191	\$ 763,730	\$ 921,798
Changes of assumptions				-
Net difference between projected and actual earning on pension plan investments	<u></u>	<u></u>	<u></u>	<u>-</u>
Total	<u>\$ 51,877</u>	<u>\$ 106,191</u>	<u>\$ 763,730</u>	<u>\$ 921,798</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows for each year ending June 30:

<b>General Government</b>	<b>Police</b>	<b>Board of Education</b>
\$ 512,708	\$ 49,102	\$ 355,913
275,048	(155,739)	158,863
392,809	1,258	93,572
270,982	(13,101)	70,760
	(64,367)	
	<u>93,821</u>	
<u>\$ 1,451,547</u>	<u>\$ (89,026)</u>	<u>\$ 679,108</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](http://www.ct.gov).

### **Benefit Provisions**

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

#### **Normal Retirement**

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

#### **Early Retirement**

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

#### **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.

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*Employees*

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

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

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

At June 30, 2019, 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>111,002,388</u>
Total	\$ <u>111,002,388</u>

The net pension liability was measured as of June 30, 2018, 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, 2019, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$12,458,057 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	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, 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, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

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

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

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

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

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

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



### **Discount Rate**

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

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

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

### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://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.

## **C. Post Employment Healthcare Plan - Retiree Health Plan**

### **Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The financial statements of the Retiree Health Plan (RHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Town.

Investments are reported at fair value. Investment income is recognized as earned.

#### **Plan Description**

The RHP is a single-employer defined benefit healthcare plan administered by the Town of Simsbury. The RHP provides medical, dental and life insurance benefits to eligible retirees and their spouses. All employees of the Town are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees.

The plan 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 plan does not issue a stand-alone financial report.

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Management of the post employment benefits plan is vested with the Town Manager and Director of Finance/Treasurer. Policy oversight is provided by the Board of Finance through active delegated involvement of the Retirement Plan Subcommittee, which consists of eight members. The Board of Finance has engaged the services of an investment consultant to assist in the development and periodic review of the Investment Policy Statement for the Other Post Employment Benefits Trust.

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

	<b>Retiree Health Plan</b>
Retired members	218
Spouses of retired members	27
Active plan members	<u>717</u>
Total Participants	<u><u>962</u></u>

### **Funding Policy**

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

#### **Town Employees**

Retired town employees under the age of 65 receiving coverage under CIGNA contribute between \$139 and \$558 per month for retiree only coverage and between \$697 and \$1,116 per month for retiree and spouse coverage to age 65. Retired town employees under the age of 65 receiving coverage under CIGNA contribute between \$204 and \$816 per month for retiree only coverage and between \$1,020 and \$1,632 per month for retiree and spouse coverage to age 65. Eligible Town employees over age 65 have the option of joining the Town's fully-insured Anthem Medicare Supplement Plan. Retirees typically contribute 25% of the premium (\$124) per month for individual coverage and 100% of the premium (\$497) for spouse coverage.

#### **Board of Education Employees**

Retired Board of Education employees under 65 or not eligible for Medicare, can receive coverage through the same CIGNA plans available to active employees. Retiree monthly contributions for retiree only plans and retiree and spouse plans are between \$508 and \$794 and \$1,017 and \$1,584, respectively. Retired BOE employees over 65 and eligible for Medicare Part A and B may participate in the Board's fully insured Anthem Medicare Supplement Plan with a monthly contribution of \$470.

For the year ended June 30, 2019, plan members contributed \$174,772 for their share of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

Employer contributions to the plan of \$1,157,219 were made in accordance with actuarially determined requirements.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**Investments**

**Investment Policy**

The Investment Policy Statement of the Other Post Employment Benefits Trust outlines the goals and investment objectives for the Trust and is intended to provide guidelines for managing the Trust and to outline specific investment policies that will govern how these goals will be achieved. The Investment Policy Statement is established and may be amended by a majority vote of the members of the Board of Finance through active delegated involvement of the Retirement Plan Subcommittee. It is the policy of the Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes. The Investment Policy Statement 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 current recommended asset allocation outlined in the Investment Policy Statement is weighted toward domestic equities and fixed income, with a slightly lower weight placed on international equities and real estate funds. The Investment Policy Statement was last updated in May 2017.

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.96%. 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, 2019. The components of the net OPEB liability of the Town at June 30, 2019, were as follows:

Total OPEB liability	\$ 22,755,233
Plan fiduciary net position	<u>16,703,500</u>
Net OPEB Liability	<u>\$ 6,051,733</u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.41%

**Actuarial Assumptions**

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

Inflation	2.75%
Salary increases	8.25% for first 7 years and 3.00% thereafter for Police, 3.50% for all others
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.28% for 2017, decreasing 4.40% per year to over 71 years

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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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, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Core Fixed income	22.50 %	2.40 %
U.S. Inflation-Indexed Bonds	22.50	1.42
U.S. Large Caps	22.50	4.33
U.S. Small Caps	2.50	5.56
U.S. Mid Caps	5.00	4.86
Foreign Developed Equity	15.00	5.55
Emerging Markets Equity	5.00	7.88
U.S. REITs	2.50	5.07
Non-U.S. REITS	2.50	6.20

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.0%. 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 SIMSBURY, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**Changes in the Net OPEB Liability**

	<b>Total OPEB Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances as of July 1, 2018	\$ 21,375,101	\$ 15,414,275	\$ 5,960,826
Changes for the year:			
Service cost	828,630		828,630
Interest on total OPEB liability	1,520,906		1,520,906
Benefit payments	(969,404)	(969,404)	-
Employer contributions		1,157,219	(1,157,219)
Member contributions		174,772	(174,772)
Net investment income		931,563	(931,563)
Administrative expenses		(4,925)	4,925
Balances as of June 30, 2019	\$ <u>22,755,233</u>	\$ <u>16,703,500</u>	\$ <u>6,051,733</u>

**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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Net OPEB Liability	\$ 8,787,242	\$ 6,051,733	\$ 3,733,060

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

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

	<b>1% Decrease (4.28% decreasing to 3.40%)</b>	<b>Healthcare Cost Trend Rates (5.28% decreasing to 4.40%)</b>	<b>1% Increase (6.28% decreasing to 5.40%)</b>
Net OPEB Liability	\$ 3,131,300	\$ 6,051,733	\$ 9,634,422

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

For the year ended June 30, 2019, the Town recognized OPEB expense of \$954,050. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 848,446	\$
Changes of assumptions	375	
Net difference between projected and actual earning on pension plan investments	<u>                    </u>	<u>86,810</u>
Total	\$ <u>848,821</u>	\$ <u>86,810</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,**

2019	\$ (133,354)
2020	(133,354)
2021	(133,353)
2022	(119,429)
2023	(151,575)
Thereafter	<u>(90,946)</u>
	\$ <u>(762,011)</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The combining Statement of Net Position and the Combining Statement of Revenues, Expenses and Changes in Net Position for the Pension and Other Employee Benefit Trust Funds are as follows:

**Combining Statement of Net Position**

	<b>General Government Pension Fund</b>	<b>Police Pension Fund</b>	<b>Board of Education Pension Fund</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Trust Funds Total</b>
Assets:					
Cash	\$ 240,470	\$ 88,521	\$ 176,224	\$ 399,746	\$ 904,961
Investments	24,699,355	17,587,107	23,550,458	16,313,020	82,149,940
Due from other funds					
Accounts receivable	25,099	21,684	23,365		70,148
Total assets	<u>24,964,924</u>	<u>17,697,312</u>	<u>23,750,047</u>	<u>16,712,766</u>	<u>83,125,049</u>
Liabilities:					
Accounts payable	9,354	9,224	330	9,266	28,174
Due to other funds					
Total liabilities	<u>9,354</u>	<u>9,224</u>	<u>330</u>	<u>9,266</u>	<u>28,174</u>
Net Position of Pension and Other Post Employment Benefits	<u>\$ 24,955,570</u>	<u>\$ 17,688,088</u>	<u>\$ 23,749,717</u>	<u>\$ 16,703,500</u>	<u>\$ 83,096,875</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**Combining Statement of Revenues, Expenses and Changes in Net Position**

	<b>General Government Pension Fund</b>	<b>Police Pension Fund</b>	<b>Board of Education Pension Fund</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Trust Funds Total</b>
Additions:					
Contributions:					
Employer	\$ 950,965	\$ 586,956	\$ 1,086,598	\$ 1,157,219	\$ 3,781,738
Employee	365,409	270,561	293,320	174,772	1,104,062
Total contributions	<u>1,316,374</u>	<u>857,517</u>	<u>1,379,918</u>	<u>1,331,991</u>	<u>4,885,800</u>
Investment income:					
Change in fair value of investments	614,388	607,394	689,436	549,558	2,460,776
Interest and dividends	603,717	425,961	566,351	413,646	2,009,675
Total investment income	<u>1,218,105</u>	<u>1,033,355</u>	<u>1,255,787</u>	<u>963,204</u>	<u>4,470,451</u>
Less investment expenses:					
Custodian fees	<u>(34,475)</u>	<u>(31,396)</u>	<u>(32,164)</u>	<u>(31,641)</u>	<u>(129,676)</u>
Net investment gain	<u>1,183,630</u>	<u>1,001,959</u>	<u>1,223,623</u>	<u>931,563</u>	<u>4,340,775</u>
Total additions	<u>2,500,004</u>	<u>1,859,476</u>	<u>2,603,541</u>	<u>2,263,554</u>	<u>9,226,575</u>
Deductions:					
Benefits	1,917,120	1,246,539	1,335,830	969,404	5,468,893
Administration	58,623	51,487	54,326	4,925	169,361
Total deductions	<u>1,975,743</u>	<u>1,298,026</u>	<u>1,390,156</u>	<u>974,329</u>	<u>5,638,254</u>
Change in Net Position	524,261	561,450	1,213,385	1,289,225	3,588,321
Net Position at Beginning of Year	<u>24,431,309</u>	<u>17,126,638</u>	<u>22,536,332</u>	<u>15,414,275</u>	<u>79,508,554</u>
Net Position at End of Year	<u>\$ 24,955,570</u>	<u>\$ 17,688,088</u>	<u>\$ 23,749,717</u>	<u>\$ 16,703,500</u>	<u>\$ 83,096,875</u>

**D. 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](http://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 SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**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.

*Employees*

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

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

At June 30, 2019, 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>22,190,058</u>
Total	\$ <u><u>22,190,058</u></u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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The net OPEB liability was measured as of June 30, 2018, 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, 2019, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of \$(7,371,524) 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	2.75%
Health care costs trend rate	5.95% decreasing to 4.75% by 2025
Salary increases	5.00% decreasing to 4.75% by 2028
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 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 (0.27%).

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. 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.

**TOWN OF SIMSBURY, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**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](http://www.ct.gov).

**5. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2019.

The Town's self-insurance program is used to account for health insurance coverage for Town and Board of Education employees. The Town retains the risk of up to a maximum of \$250,000 per claim. Commercial insurance covers any individual claim in excess of \$10,000. During 2019, total claims expense of \$13,235,164 was incurred, which represent claims processed and an estimate for claims incurred but not reported as of June 30, 2019.

The Fund establishes claims liabilities based on estimates of claims that have been incurred but not reported; accordingly, the Fund recorded an additional liability at June 30, 2019 of \$741,092.

Premium payments are reported as interfund services provided and used for the General Fund, and, accordingly, they are treated as operating revenues of the Self-Insurance Fund and operating expenditures of the General Fund.

A schedule of changes in the claims liability for the years ended June 30, 2019 and 2018 is presented below:

		<b>Liability</b>	<b>Current Year</b>	<b>Claim</b>	<b>Liability</b>
		<b>July 1,</b>	<b>Claims and</b>	<b>Payments</b>	<b>June 30,</b>
			<b>Changes in</b>		
			<b>Estimates</b>		
2017-18	\$	1,035,514	\$ 13,659,834	\$ 12,811,351	\$ 1,883,997
2018-19		1,883,997	13,235,164	14,378,069	741,092

**B. Contingent Liabilities**

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the Town's financial position.


The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, to be immaterial.

**C. Landfill Postclosure Care Costs**

The Simsbury landfill stopped accepting solid waste in 1988. The landfill has been capped and tested by the Department of Environmental Protection prior to October 1, 1993 and, as such, the U.S. EPA adopted regulations 40 CFR, Part 258 (Subtitle D), do not apply. However, the Simsbury landfill is still required to monitor its postclosure functions under an approved plan with the State of Connecticut Department of Environmental Protection.

The landfill closing costs of \$50,000 reported as a liability in the government-wide financial statements represent an estimate of the postclosure costs to be incurred by the Town over the next 10 fiscal years for mandatory ground water testing based on a study conducted by an independent consultant. It is estimated that the Town will incur a \$5,000 annual cost over the next 10 fiscal years. This estimate is subject to changes that may result from inflation, technological changes or regulatory changes.



## **Required Supplementary Information**

**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018	
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)	
	Original	Final				
Property Taxes:						
Current year taxes	\$ 87,148,651	\$ 87,148,651	\$ 87,779,866	\$ 631,215	\$	86,747,432
Prior year's taxes	401,547	401,547	600,758	199,211		479,313
Interest and lien fees	250,000	250,000	306,740	56,740		386,356
Total property taxes	87,800,198	87,800,198	88,687,364	887,166		87,613,101
Intergovernmental Revenues:						
State of Connecticut:						
Office of Policy and Management:						
Property tax relief:						
Disabled	1,400	1,400	1,411	11		1,386
Additional veterans	5,800	5,800	5,087	(713)		5,785
Department of Education:						
Education equalization grant	5,402,105	5,402,105	6,028,199	626,094		5,290,146
Adult education	12,349	12,349	14,752	2,403		13,154
School building grants			83,082	83,082		
Nonpublic schools - transportation			16,319	16,319		15,213
Department of Justice:						
JAG grant		6,000	6,000	-		
Miscellaneous:						
State-owned property	2,339	2,339	35,655	33,316		2,339
Telephone access line grant	55,000	55,000	43,544	(11,456)		44,656
Pequot casino revenue				-		28,478
Municipal revenue sharing				-		202,098
Municipal grant in aid	77,648	77,648	197,581	119,933		77,648
Library grant				-		4,000
Elderly/Handicapped transportation	6,000	6,000	6,672	672		4,740
Other				-		8,990
Housing Authority in lieu of taxes	24,000	24,000	25,871	1,871		23,555
Board of Education tuition regular	35,000	35,000	78,521	43,521		50,514
PILOT - Westminster School	120,000	120,000	122,000	2,000		120,000
Total intergovernmental revenues	5,741,641	5,747,641	6,664,694	917,053		5,892,702
Investment income	175,000	175,000	727,158	552,158		323,153
Charges for Goods and Services:						
Central administration miscellaneous				-		
Conveyance tax receipts	400,000	400,000	367,304	(32,696)		445,166
Town clerk recording fees	120,000	120,000	103,317	(16,683)		109,553
Town clerk farmland preservation fees	5,500	5,500	2,425	(3,075)		2,598
Town clerk miscellaneous	60,000	60,000	63,008	3,008		57,365
Tax collector - fire district supplies, etc.	6,500	6,500	6,500	-		6,500
Building department shared position	48,000	48,000	42,561	(5,439)		
Police department - emergency reporting	36,563	36,563	38,924	2,361		37,318
Police department miscellaneous	4,000	4,000	5,297	1,297		8,142
Engineering department fees	350	350	231	(119)		375
Library fines and fees	44,000	44,000	26,609	(17,391)		39,803
Library miscellaneous				-		45
War Memorial pool	1,500	1,500	1,875	375		1,560
Board of Education miscellaneous	7,500	7,500	11,045	3,545		70,906
Community gardens	2,500	2,500	2,425	(75)		2,675
Total charges for goods and services	736,413	736,413	671,521	(64,892)		782,006

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018	
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Actual Amounts (Budgetary Basis)	
	Original	Final				
Fines and Forfeitures:						
Library fines and fees	\$ 2,000	\$ 2,000	\$ 2,899	\$ 899	\$	2,037
Court fees	1,000	1,000		(1,000)		
False alarms fines	10,000	10,000	5,130	(4,870)		6,295
Traffic tickets	4,000	4,000	4,536	536		4,036
Animal control fines	500	500	375	(125)		760
Total fines and forfeitures	17,500	17,500	12,940	(4,560)		13,128
Rental of Town-Owned Property:						
Eno Memorial Hall	2,500	2,500	15,750	13,250		11,310
Education - school rentals	45,000	45,000	55,956	10,956		48,402
Simsbury performing arts center			2,500	2,500		2,500
Library administration	3,000	3,000	2,200	(800)		2,350
World skate	80,000	80,000	80,000	-		80,000
Total rental of town-owned property	130,500	130,500	156,406	25,906		144,562
Licenses and Permits:						
Sporting licenses	200	200	153	(47)		142
Dog licenses	13,000	13,000	14,990	1,990		15,436
Land use commission	30,000	30,000	28,407	(1,593)		24,225
Police department fees	8,000	8,000	5,580	(2,420)		6,715
Building department fees	750,000	750,000	1,218,463	468,463		1,187,295
Total licenses and permits	801,200	801,200	1,267,593	466,393		1,233,813
Other Local Revenues:						
Tax department insufficient funds			141	141		260
Sale of property				-		28,500
Town clerk insufficient funds			10	10		100
Building department insufficient funds			40	40		20
Central administration miscellaneous	5,000	5,000		(5,000)		
Highway department miscellaneous			4,263	4,263		4,425
Engineering department miscellaneous			114	114		
Eno Hall miscellaneous				-		225
Library miscellaneous			40	40		
Insurance refunds			42,799	42,799		67,190
Board of Education insufficient funds				-		40
Scrap metal recycling			370	370		67,512
Parks & open space miscellaneous			245	245		
Total other local revenues	5,000	5,000	48,022	43,022		168,272
Total Revenues	95,407,452	95,413,452	98,235,698	2,822,246		96,170,737
Other Financing Sources:						
Appropriations from fund balance	1,000,000	3,821,637		(3,821,637)		
Premium on bond issuance			1,249,778	1,249,778		
Transfers from other funds:						
Capital projects			321,358	321,358		
Sewer use fund	110,917	110,917	110,917	-		108,989
Special revenue fund		13,500	12,788	(712)		
Total other financing sources	1,110,917	3,946,054	1,694,841	(2,251,213)		108,989
Total Revenues and Other Financing Sources	\$ 96,518,369	\$ 99,359,506	99,930,539	\$ 571,033	\$	96,279,726
Budgetary revenues are different than GAAP revenues because:						
State of Connecticut pension expense related to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			12,458,057			
State of Connecticut OPEB revenue related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted			(7,371,524)			
Encumbrances outstanding at June 30, 2018, cancelled during the year ended June 30, 2019			(8,584)			
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds Exhibit IV			\$ 105,008,488			



**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
General Government:					
Central administration	\$ 456,825	\$ 451,414	\$ 451,414	\$ -	\$ 490,273
Administration services	98,889	87,020	87,020	-	76,669
Community services	108,872	104,351	104,351	-	57,848
Land use commission	22,100	15,693	15,693	-	12,525
Economic development commission	46,000	45,000	45,000	-	45,379
Historic district commission	1,400	331	331	-	578
Public building committee	1,225	1,206	1,206	-	1,377
Beautification	4,620	5,345	5,345	-	3,405
Tourism committee	645			-	1
Elections	120,572	111,523	111,523	-	95,594
Legal	151,000	150,411	150,411	-	229,611
Town clerk	226,809	221,618	221,618	-	215,659
Probate court	5,426	5,426	5,426	-	4,380
Total general government	1,244,383	1,199,338	1,199,338	-	1,233,299
Financial Services:					
Board of Finance	6,600	5,140	5,140	-	5,186
Finance department	322,007	315,322	315,322	-	364,447
Tax collector	168,125	178,068	178,068	-	176,730
Assessors	252,546	252,487	252,487	-	240,309
Information technology	204,413	201,628	201,628	-	178,840
Auditors	38,000	38,100	38,100	-	37,600
Total financial services	991,691	990,745	990,745	-	1,003,112
Planning and Development:					
Director of community development	188,538	184,604	184,604	-	181,240
Planning department	173,430	122,361	122,361	-	166,668
Building department	291,911	277,356	277,356	-	199,209
Total planning and development	653,879	584,321	584,321	-	547,117
Public Safety:					
Police	4,784,371	4,735,716	4,735,716	-	4,586,167
Animal control officer	70,581	67,608	67,608	-	66,494
Civil preparedness	6,685	4,853	4,853	-	6,558
Total public safety	4,861,637	4,808,177	4,808,177	-	4,659,219
Public Works:					
Engineering	265,288	246,119	246,119	-	279,890
Public Works Administration	270,179	246,529	246,529	-	264,594
Buildings and Grounds	479,657	470,924	470,924	-	463,066
Town Offices	145,890	147,271	147,271	-	159,383
Eno Hall Memorial	71,975	77,022	77,022	-	79,450
Miscellaneous Building	32,272	20,253	20,253	-	24,650
Highway - Labor & Equipment	1,976,256	1,951,203	1,951,203	-	1,720,511
Highway - Facilities & Programs	993,970	734,761	734,761	-	822,377
Landfill	71,500	86,635	86,635	-	69,850
Total public works	4,306,987	3,980,717	3,980,717	-	3,883,771

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE ACTUAL AMOUNTS  
FOR THE YEAR ENDED JUNE 30, 2018**

	2019				2018
	Budgeted Amounts		Actual Amounts	Variance with	Actual Amounts
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)	(Budgetary Basis)
Culture and Recreation:					
Recreation - Administration	\$ 49,522	\$ 50,356	\$ 50,356	\$ -	\$ 58,042
Recreation - Memorial Pool	28,692	29,125	29,125	-	28,470
Parks & Open Space - Maintenance	674,541	658,480	658,480	-	668,712
Parks & Open Space - Memorial Field	26,951	19,008	19,008	-	23,232
Parks & Open Space - Memorial Pool	24,716	24,720	24,720	-	25,036
Library - Administration	599,134	603,404	603,404	-	563,742
Library - Adult & Young Adult	535,331	514,112	514,112	-	532,219
Library - Building & Grounds	131,639	142,856	142,856	-	127,359
Library - Children Services	339,632	331,551	331,551	-	303,508
Total culture and recreation	2,410,158	2,373,612	2,373,612	-	2,330,320
Health and Welfare:					
Health department	134,238	134,239	134,239	-	130,262
Social services administration	258,572	248,895	248,895	-	205,787
Elderly services outreach	24,408	24,418	24,418	-	24,187
Senior center	152,720	149,659	149,659	-	144,879
Transportation	123,621	126,613	126,613	-	123,532
Total health and welfare	693,559	683,824	683,824	-	628,647
Fringe Benefits and Insurance:					
Social Security	780,000	792,948	792,948	-	855,951
Town general liability insurance	485,715	498,119	498,119	-	513,080
Employee group insurance	2,556,652	2,617,529	2,617,529	-	2,382,756
Life and disability insurance	72,812	72,595	72,595	-	-
Unemployment reserve	5,000	45,002	45,002	-	5,924
Pensions	1,367,284	1,386,336	1,386,336	-	1,343,879
Total fringe benefits and insurance	5,267,463	5,412,529	5,412,529	-	5,101,590
Board of Education	68,599,252	68,599,252	68,595,235	4,017	67,546,746
Non-Public Schools Budget:					
Non-public schools	543,490	543,490	542,166	1,324	534,381
Debt Service:					
Principal	3,365,000	3,365,000	3,365,000	-	4,125,000
Interest	698,100	698,100	698,100	-	755,219
Total debt service	4,063,100	4,063,100	4,063,100	-	4,880,219
Other Financing Uses:					
Contingency reserve	89,670	-	-	-	-
Transfer to capital fund	2,693,100	4,063,100	4,063,100	-	1,474,435
Transfers to other funds	100,000	2,057,301	2,057,301	-	299,037
Total other financing uses	2,882,770	6,120,401	6,120,401	-	1,773,472
Total Expenditures and Other Financing Uses	\$ 96,518,369	\$ 99,359,506	99,354,165	\$ 5,341	\$ 94,121,893
Budgetary expenditures are different than GAAP expenditures because:					
State of Connecticut pension expense related to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			12,458,057		
State of Connecticut OPEB revenue related to the Connecticut State Teachers' OPEB System for Town teachers are not budgeted			(7,371,524)		
Encumbrances outstanding at June 30, 2018, liquidated during the year ended June 30, 2019			447,095		
Encumbrances outstanding at June 30, 2019			(194,739)		
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV			\$ 104,693,054		

## TOWN OF SIMSBURY, CONNECTICUT

## SEWER USE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Sewer Use Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 409,927	\$ 409,927	\$ 409,927	\$ -
Investment income	7,997	7,997	15,545	7,548
Charges for goods and services	364,763	364,763	1,021,666	656,903
Miscellaneous	6,007	6,007	442	(5,565)
Grants	21,254	21,254	10,037	(11,217)
Assessment interest and liens	27,000	27,000	20,478	(6,522)
Assessments	3,045,955	3,045,955	2,600,670	(445,285)
Total revenues	<u>3,882,903</u>	<u>3,882,903</u>	<u>4,078,765</u>	<u>195,862</u>
Expenditures:				
Current:				
Facility management	2,329,256	2,329,256	1,972,905	356,351
Debt service	<u>1,265,207</u>	<u>1,265,207</u>	<u>1,265,207</u>	-
Total expenditures	<u>3,594,463</u>	<u>3,594,463</u>	<u>3,238,112</u>	<u>356,351</u>
Excess of Revenues over Expenditures	<u>288,440</u>	<u>288,440</u>	<u>840,653</u>	<u>552,213</u>
Other Financing Sources (Uses):				
Transfers from other funds			1,213,097	1,213,097
Transfers to other funds			(585,104)	(585,104)
Net other financing uses	<u>-</u>	<u>-</u>	<u>627,993</u>	<u>627,993</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u><u>288,440</u></u>	\$ <u><u>288,440</u></u>	1,468,646	\$ <u><u>1,180,206</u></u>
Fund Balances at Beginning of Year			<u>4,937,857</u>	
Fund Balances at End of Year			\$ <u>6,406,503</u>	

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL GOVERNMENT**  
**LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 629,377	\$ 673,731	\$ 668,192	\$ 651,746	\$ 607,101	\$ 605,889
Interest	2,156,775	2,070,339	1,939,574	1,864,604	1,793,949	1,718,093
Changes of benefit terms			291,643		(16,733)	
Differences between expected and actual experience	206,134	269,122	509,974	(259,385)	99,498	(1,191)
Changes of assumptions	815,182					
Benefit payments, including refunds of member contributions	<u>(1,917,120)</u>	<u>(1,557,045)</u>	<u>(1,536,992)</u>	<u>(1,296,608)</u>	<u>(1,321,430)</u>	<u>(1,157,072)</u>
Net change in total pension liability	1,890,348	1,456,147	1,872,391	960,357	1,162,385	1,165,719
Total pension liability - beginning	<u>31,124,049</u>	<u>29,667,902</u>	<u>27,795,511</u>	<u>26,835,154</u>	<u>25,672,769</u>	<u>24,507,050</u>
Total pension liability - ending	<u>33,014,397</u>	<u>31,124,049</u>	<u>29,667,902</u>	<u>27,795,511</u>	<u>26,835,154</u>	<u>25,672,769</u>
Plan fiduciary net position:						
Contributions - employer	950,965	920,889	877,664	1,023,393	1,013,590	985,741
Contributions - member	365,409	302,656	295,408	445,994	223,536	175,834
Net investment income	1,183,630	1,491,838	2,563,793	(20,390)	417,241	2,628,574
Benefit payments	(1,917,120)	(1,557,045)	(1,536,992)	(1,296,608)	(1,321,430)	(1,105,875)
Refunds of member contributions						(51,197)
Administrative expense	<u>(58,623)</u>	<u>(22,443)</u>	<u>(34,812)</u>	<u>(37,476)</u>	<u>(35,251)</u>	<u>(32,427)</u>
Net change in plan fiduciary net position	524,261	1,135,895	2,165,061	114,913	297,686	2,600,650
Plan fiduciary net position - beginning	<u>24,431,309</u>	<u>23,295,414</u>	<u>21,130,353</u>	<u>21,015,440</u>	<u>20,717,754</u>	<u>18,117,104</u>
Plan fiduciary net position - ending	<u>24,955,570</u>	<u>24,431,309</u>	<u>23,295,414</u>	<u>21,130,353</u>	<u>21,015,440</u>	<u>20,717,754</u>
Town's Net Pension Liability - Ending	<u>\$ 8,058,827</u>	<u>\$ 6,692,740</u>	<u>\$ 6,372,488</u>	<u>\$ 6,665,158</u>	<u>\$ 5,819,714</u>	<u>\$ 4,955,015</u>
Plan fiduciary net position as a percentage of the total pension liability	75.59%	78.50%	78.52%	76.02%	78.31%	80.70%
Covered payroll	\$ 7,110,117	\$ 7,124,309	\$ 6,870,896	\$ 6,476,467	\$ 6,477,000	\$ 6,491,000
Town's net pension liability as a percentage of covered payroll	113.34%	93.94%	92.75%	102.91%	89.85%	76.34%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE**  
**LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 543,312	\$ 530,370	\$ 530,838	\$ 484,804	\$ 449,735	\$ 434,196
Interest	1,412,130	1,370,121	1,374,437	1,327,012	1,261,868	1,169,501
Changes of benefit terms					266,580	
Differences between expected and actual experience	2,931	(186,985)	(944,755)	132,622	(91,391)	1,025,203
Changes of assumptions	578,872					
Benefit payments, including refunds of member contributions	<u>(1,246,539)</u>	<u>(1,010,103)</u>	<u>(1,032,945)</u>	<u>(1,054,896)</u>	<u>(1,092,847)</u>	<u>(1,914,868)</u>
Net change in total pension liability	1,290,706	703,403	(72,425)	889,542	793,945	714,032
Total pension liability - beginning	<u>20,242,699</u>	<u>19,539,296</u>	<u>19,611,721</u>	<u>18,722,179</u>	<u>17,928,234</u>	<u>17,214,202</u>
Total pension liability - ending	<u>21,533,405</u>	<u>20,242,699</u>	<u>19,539,296</u>	<u>19,611,721</u>	<u>18,722,179</u>	<u>17,928,234</u>
Plan fiduciary net position:						
Contributions - employer	586,956	600,240	677,434	727,009	633,000	562,763
Contributions - member	270,561	244,113	239,130	196,550	190,966	152,656
Net investment income (loss)	1,001,959	1,039,142	1,774,219	(11,573)	295,997	1,966,976
Benefit payments	(1,246,539)	(1,010,103)	(1,032,945)	(1,054,896)	(1,092,847)	(946,618)
Refunds of member contributions						(968,250)
Administrative expense	<u>(51,487)</u>	<u>(12,953)</u>	<u>(24,396)</u>	<u>(24,051)</u>	<u>(33,374)</u>	<u>(32,865)</u>
Net change in plan fiduciary net position	561,450	860,439	1,633,442	(166,961)	(6,258)	734,662
Plan fiduciary net position - beginning	<u>17,126,638</u>	<u>16,266,199</u>	<u>14,632,757</u>	<u>14,799,718</u>	<u>14,805,976</u>	<u>14,071,314</u>
Plan fiduciary net position - ending	<u>17,688,088</u>	<u>17,126,638</u>	<u>16,266,199</u>	<u>14,632,757</u>	<u>14,799,718</u>	<u>14,805,976</u>
Town's Net Pension Liability - Ending	<u>\$ 3,845,317</u>	<u>\$ 3,116,061</u>	<u>\$ 3,273,097</u>	<u>\$ 4,978,964</u>	<u>\$ 3,922,461</u>	<u>\$ 3,122,258</u>
Plan fiduciary net position as a percentage of the total pension liability	82.14%	84.61%	83.25%	74.61%	79.05%	82.64%
Covered payroll	\$ 3,400,678	\$ 3,400,310	\$ 3,143,684	\$ 2,918,053	\$ 2,866,000	\$ 2,772,281
Town's net pension liability as a percentage of covered payroll	113.08%	91.64%	104.12%	170.63%	136.86%	112.24%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**BOARD OF EDUCATION**  
**LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 712,212	\$ 742,875	\$ 781,880	\$ 792,518	\$ 720,226	\$ 723,982
Interest	2,064,354	1,980,261	1,903,998	1,815,018	1,745,104	1,635,060
Changes of benefit terms				(29,091)	(32,802)	
Differences between expected and actual experience	135,169	(161,126)	(274,621)	(445,038)	319,281	(19,757)
Changes of assumptions	760,097					
Benefit payments, including refunds of member contributions	<u>(1,335,830)</u>	<u>(1,324,428)</u>	<u>(1,242,519)</u>	<u>(1,125,306)</u>	<u>(1,147,085)</u>	<u>(1,096,023)</u>
Net change in total pension liability	2,336,002	1,237,582	1,168,738	1,008,101	1,604,724	1,243,262
Total pension liability - beginning	<u>29,435,168</u>	<u>28,197,586</u>	<u>27,028,848</u>	<u>26,020,747</u>	<u>24,416,023</u>	<u>23,172,761</u>
Total pension liability - ending	<u>31,771,170</u>	<u>29,435,168</u>	<u>28,197,586</u>	<u>27,028,848</u>	<u>26,020,747</u>	<u>24,416,023</u>
Plan fiduciary net position:						
Contributions - employer	1,086,598	1,084,561	1,112,035	1,288,982	1,236,631	1,231,124
Contributions - member	293,320	304,208	348,561	324,788	283,432	240,312
Net investment income	1,223,623	1,364,568	2,322,363	21,997	337,905	2,157,488
Benefit payments	(1,335,830)	(1,324,428)	(1,242,519)	(1,125,306)	(1,147,085)	(1,056,810)
Refunds of member contributions						(39,213)
Administrative expense	<u>(54,326)</u>	<u>(25,392)</u>	<u>(37,728)</u>	<u>(18,799)</u>	<u>(26,200)</u>	<u>(29,131)</u>
Net change in plan fiduciary net position	1,213,385	1,403,517	2,502,712	491,662	684,683	2,503,770
Plan fiduciary net position - beginning	<u>22,536,332</u>	<u>21,132,815</u>	<u>18,630,103</u>	<u>18,138,441</u>	<u>17,453,758</u>	<u>14,949,988</u>
Plan fiduciary net position - ending	<u>23,749,717</u>	<u>22,536,332</u>	<u>21,132,815</u>	<u>18,630,103</u>	<u>18,138,441</u>	<u>17,453,758</u>
Town's Net Pension Liability - Ending	<u>\$ 8,021,453</u>	<u>\$ 6,898,836</u>	<u>\$ 7,064,771</u>	<u>\$ 8,398,745</u>	<u>\$ 7,882,306</u>	<u>\$ 6,962,265</u>
Plan fiduciary net position as a percentage of the total pension liability	74.75%	76.56%	74.95%	68.93%	69.71%	71.53%
Covered payroll	\$ 7,235,501	\$ 7,614,963	\$ 7,766,728	\$ 7,864,597	\$ 7,916,000	\$ 7,911,823
Town's net pension liability as a percentage of covered payroll	110.86%	90.60%	90.96%	106.79%	99.57%	87.86%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PENSION - GENERAL GOVERNMENT  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 586,140	\$ 759,126	\$ 722,519	\$ 714,779	\$ 985,089	\$ 1,013,590	\$ 888,277	\$ 877,663	\$ 920,889	\$ 950,965
Contributions in relation to the actuarially determined contribution	<u>586,140</u>	<u>759,126</u>	<u>722,519</u>	<u>779,972</u>	<u>985,089</u>	<u>1,013,590</u>	<u>1,023,393</u>	<u>877,664</u>	<u>920,889</u>	<u>950,965</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(65,193)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(135,116)</u>	\$ <u>(1)</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 6,277,067	\$ 6,279,542	\$ 6,131,794	\$ 5,797,979	\$ 6,490,784	\$ 6,477,448	\$ 6,476,467	\$ 6,870,896	\$ 7,124,309	\$ 7,110,117
Contributions as a percentage of covered payroll	9.34%	12.09%	11.78%	13.45%	15.18%	15.65%	15.80%	12.77%	12.93%	13.37%

**Notes to Schedule:**

Valuation date July 1, 2018  
Measurement date June 30, 2019  
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
Remaining amortization period	15 years
Amortization growth rate	3.50%
Asset valuation method	5-year non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.75%
Retirement age	Rates based on age
Turnover	Rates based on service

Mortality RP-2000 Mortality for Employees, Healthy Annuitants and Disabled Annuitants with generational projection per Scale AA

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PENSION - POLICE  
LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 393,136	\$ 505,605	\$ 497,614	\$ 465,641	\$ 562,233	\$ 632,679	\$ 631,023	\$ 677,434	\$ 600,240	\$ 586,956
Contributions in relation to the actuarially determined contribution	<u>393,136</u>	<u>505,605</u>	<u>497,614</u>	<u>508,111</u>	<u>562,233</u>	<u>633,000</u>	<u>727,009</u>	<u>677,434</u>	<u>600,240</u>	<u>586,956</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(42,470)</u>	\$ <u>-</u>	\$ <u>(321)</u>	\$ <u>(95,986)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 2,598,719	\$ 2,643,805	\$ 2,615,838	\$ 2,362,484	\$ 2,772,281	\$ 2,866,183	\$ 2,918,053	\$ 3,143,684	\$ 3,400,310	\$ 3,400,678
Contributions as a percentage of covered payroll	15.13%	19.12%	19.02%	21.51%	20.28%	22.09%	24.91%	21.55%	17.65%	17.26%

**Notes to Schedule:**

Valuation date July 1, 2018  
Measurement date June 30, 2019  
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  
Remaining amortization period 15 years  
Amortization growth rate 3.50%  
Asset valuation method 5-year non-asymptotic  
Inflation 2.75%  
Salary increases 8.25% for the first 7 years and 3.00% thereafter  
Investment rate of return 6.75%  
Retirement age 20% per year starting at Normal Retirement Date; 100% at age 62

Mortality RP-2000 Mortality for Employees, Healthy Annuitants and Disabled Annuitants with generational projection per Scale AA



**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PENSION - BOARD OF EDUCATION  
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 706,849	\$ 876,860	\$ 910,571	\$ 1,012,381	\$ 1,231,124	\$ 1,236,631	\$ 1,110,353	\$ 1,112,035	\$ 1,084,561	\$ 1,086,598
Contributions in relation to the actuarially determined contribution	<u>706,849</u>	<u>876,860</u>	<u>1,030,571</u>	<u>1,104,718</u>	<u>1,231,124</u>	<u>1,236,631</u>	<u>1,288,982</u>	<u>1,112,035</u>	<u>1,084,561</u>	<u>1,086,598</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(120,000)</u>	\$ <u>(92,337)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(178,629)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 6,984,577	\$ 7,421,437	\$ 7,686,831	\$ 7,740,314	\$ 7,911,823	\$ 7,916,465	\$ 7,864,597	\$ 7,766,728	\$ 7,614,963	\$ 7,235,501
Contributions as a percentage of covered payroll	10.12%	11.82%	13.41%	14.27%	15.56%	15.62%	16.39%	14.32%	14.24%	15.02%

**Notes to Schedule:**

Valuation date July 1, 2018  
Measurement date June 30, 2019  
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
Remaining amortization period	15 years
Amortization growth rate	3.50%
Asset valuation method	5-year non-asymptotic
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	6.75%
Retirement age	Rates based on age
Turnover	Rates based on service

Mortality RP-2000 Mortality for Employees, Healthy Annuitants and Disabled Annuitants with generational projection per Scale AA

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
PENSION  
LAST SIX FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:						
General Government Pension Plan	4.84%	6.36%	12.09%	(0.10%)	1.97%	14.35%
Police Pension Plan	5.88%	6.34%	12.00%	(0.08%)	1.98%	14.30%
Board of Education Pension Plan	5.32%	6.32%	12.07%	0.12%	1.86%	14.02%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**TEACHERS RETIREMENT SYSTEM**  
**LAST FIVE FISCAL YEARS\***

	<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%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>111,002,388</u>	<u>111,434,579</u>	<u>117,564,334</u>	<u>92,706,902</u>	<u>85,688,952</u>
Total	<u>\$ 111,002,388</u>	<u>\$ 111,434,579</u>	<u>\$ 117,564,334</u>	<u>\$ 92,706,902</u>	<u>\$ 85,688,952</u>
Town's covered payroll	\$ 34,712,942	\$ 34,259,016	\$ 33,773,614	\$ 32,597,004	\$ 32,231,978
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%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**Notes to Schedule:**

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.00%, net of investment related expense

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB**  
**LAST THREE FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 828,630	\$ 823,820	\$ 797,888
Interest	1,520,906	1,509,026	1,424,684
Differences between expected and actual experience		(949,698)	
Changes of assumptions		(509)	
Benefit payments	<u>(969,404)</u>	<u>(1,061,000)</u>	<u>(1,228,579)</u>
Net change in total OPEB liability	1,380,132	321,639	993,993
Total OPEB liability - beginning	<u>21,375,101</u>	<u>21,053,462</u>	<u>20,059,469</u>
Total OPEB liability - ending	<u>22,755,233</u>	<u>21,375,101</u>	<u>21,053,462</u>
Plan fiduciary net position:			
Contributions - employer	1,157,219	1,197,000	1,310,930
Contributions - member	174,772	173,532	174,237
Net investment income	931,563	931,850	1,180,640
Benefit payments	(969,404)	(1,061,000)	(1,228,579)
Administrative expense	<u>(4,925)</u>	<u>(9,228)</u>	
Net change in plan fiduciary net position	1,289,225	1,232,154	1,437,228
Plan fiduciary net position - beginning	<u>15,414,275</u>	<u>14,182,121</u>	<u>12,744,893</u>
Plan fiduciary net position - ending	<u>16,703,500</u>	<u>15,414,275</u>	<u>14,182,121</u>
Net OPEB Liability - Ending	\$ <u>6,051,733</u>	\$ <u>5,960,826</u>	\$ <u>6,871,341</u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.41%	72.11%	67.36%
Covered payroll	\$ 52,352,923	\$ 45,238,019	\$ 45,238,019
Net OPEB liability as a percentage of covered payroll	11.56%	13.18%	15.19%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB**  
**LAST TEN FISCAL YEARS**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 1,766,300	\$ 1,611,000	\$ 1,705,000	\$ 1,613,000	\$ 1,825,000	\$ 1,880,000	\$ 1,047,953	\$ 1,073,307	\$ 1,182,000	\$ 1,093,300
Contributions in relation to the actuarially determined contribution	1,894,900	1,895,100	1,705,000	2,393,362	1,980,158	4,880,000	1,195,883	1,310,930	1,197,000	1,157,219
Contribution Deficiency (Excess)	<u>\$ (128,600)</u>	<u>\$ (284,100)</u>	<u>\$ -</u>	<u>\$ (780,362)</u>	<u>\$ (155,158)</u>	<u>\$ (3,000,000)</u>	<u>\$ (147,930)</u>	<u>\$ (237,623)</u>	<u>\$ (15,000)</u>	<u>\$ (63,919)</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 44,132,000	\$ 44,132,000	\$ 44,570,517	\$ 45,238,019	\$ 45,238,019	\$ 52,352,923
Contributions as a percentage of covered payroll	NA	NA	NA	NA	4.49%	11.06%	2.68%	2.90%	2.65%	2.21%

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

**Notes to Schedule:**

Valuation date: July 1, 2017

July 1, 2017

Measurement date: June 30, 2019

June 30, 2019

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	Projected Unit Credit
Amortization method	Level percent
Amortization period	18 years
Asset valuation method	Closed
Inflation	2.75%
Healthcare cost trend rates	5.28-4.40% over 71 years
Salary increases	8.25% for first 7 years and 3.00% thereafter for Police, 3.5% for all others
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality	RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA

**TOWN OF SIMSBURY, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 OPEB  
 LAST THREE FISCAL YEARS\***

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	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expense	5.96%	7.52%	9.44%

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST TWO FISCAL YEARS\***

	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>22,190,058</u>	<u>28,681,978</u>
Total	<u>\$ 22,190,058</u>	<u>\$ 28,681,978</u>
Town's covered payroll	\$ 34,712,942	\$ 34,259,016
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

**Notes to Schedule**

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date.</p> <p>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, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

\*Note: This schedule is intended to be for ten years. Additional years will be added as they become available.



# **Supplemental, Combining and Individual Fund Statements and Schedules**





# Major Governmental Funds

# Major Governmental Funds

## **General Fund**

To account for the general operations of the Town, except those required to be accounted for in another fund.

## **Sewer Use Fund**

To account for sewer user fees and sewer plant operations.

## **BOE Programs Fund**

To account for BOE programs, including scholarship activity.

## **Capital Project Fund**

The Capital Project Fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

**TOWN OF SIMSBURY, CONNECTICUT  
COMBINING BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2019**

	<b>General Fund</b>	<b>BOE Non-Lapsing Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,296,398	\$ 385,000	\$ 12,681,398
Investments	3,198,359		3,198,359
Receivables, net of allowance of \$65,000	1,296,878		1,296,878
Due from other funds	2,792,657		2,792,657
Other assets	35,789		35,789
Total Assets	<u>\$ 19,620,081</u>	<u>\$ 385,000</u>	<u>\$ 20,005,081</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,680,656	\$	\$ 1,680,656
Unearned revenue	50,628		50,628
Total liabilities	<u>1,731,284</u>	<u>-</u>	<u>1,731,284</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	817,699		817,699
Unavailable revenue - property tax interest	346,381		346,381
Advance property tax collections	170		170
Total deferred inflows of resources	<u>1,164,250</u>	<u>-</u>	<u>1,164,250</u>
Fund Balances:			
Nonspendable	35,789		35,789
Committed		385,000	385,000
Assigned	228,239		228,239
Unassigned	16,460,519		16,460,519
Total fund balances	<u>16,724,547</u>	<u>385,000</u>	<u>17,109,547</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,620,081</u>	<u>\$ 385,000</u>	<u>\$ 20,005,081</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>	<b>BOE Non-Lapsing Fund</b>	<b>Eliminations</b>	<b>Total</b>
Revenues:				
Property taxes	\$ 88,687,364	\$	\$	\$ 88,687,364
Intergovernmental	11,751,227			11,751,227
Investment loss	727,158			727,158
Charges for goods and services	626,542			626,542
Licenses and permits	1,310,154			1,310,154
Rental of town-owned property	156,406			156,406
Local revenues	54,796			54,796
Total revenues	<u>103,313,647</u>	<u>-</u>	<u>-</u>	<u>103,313,647</u>
Expenditures:				
Current:				
General government	2,178,770			2,178,770
Planning and development	584,322			584,322
Public safety	4,799,775			4,799,775
Facility management	3,997,642			3,997,642
Culture and recreation	2,370,622			2,370,622
Health and welfare	683,825			683,825
Fringe benefits and insurances	5,412,531			5,412,531
Education	74,482,066			74,482,066
Debt service:				
Principal payments	3,365,000			3,365,000
Interest and other	698,100			698,100
Total expenditures	<u>98,572,653</u>	<u>-</u>	<u>-</u>	<u>98,572,653</u>
Excess of Revenues over Expenditures	<u>4,740,994</u>	<u>-</u>	<u>-</u>	<u>4,740,994</u>
Other Financing Sources (Uses):				
Transfers in	445,063			445,063
Transfers out	(6,120,401)			(6,120,401)
Premium on bond issuance	1,249,778			1,249,778
Total other financing sources (uses)	<u>(4,425,560)</u>	<u>-</u>	<u>-</u>	<u>(4,425,560)</u>
Net Change in Fund Balances	315,434	-	-	315,434
Fund Balances at Beginning of Year	<u>16,409,113</u>	<u>385,000</u>	<u>-</u>	<u>16,794,113</u>
Fund Balances at End of Year	<u>\$ 16,724,547</u>	<u>\$ 385,000</u>	<u>\$ -</u>	<u>\$ 17,109,547</u>

**TOWN OF SIMSBURY, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF BOARD OF EDUCATION EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Appropriation</u>	<u>Amended Appropriation</u>	<u>Actual Expenditures and Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
General control	\$ 2,112,888	\$ 2,112,888	\$ 2,083,664	\$ 29,224
Instruction	43,070,977	43,070,977	42,977,465	93,512
Health services	690,789	690,789	683,025	7,764
Transportation	2,681,009	2,681,009	2,681,275	(266)
Operation of school plant	4,659,332	4,659,332	4,683,926	(24,594)
Maintenance of schools	1,245,522	1,245,522	1,163,299	82,223
Employee pension and insurance	12,378,200	12,378,200	12,330,950	47,250
Food services	8,305	8,305	8,260	45
Student activities	658,580	658,580	681,014	(22,434)
Community service	34,563	34,563	31,128	3,435
New and replaced equipment	217,387	217,387	199,688	17,699
Tuition to other schools	1,392,000	1,392,000	1,621,841	(229,841)
Nonpublic schools	<u>543,490</u>	<u>543,490</u>	<u>542,166</u>	<u>1,324</u>
Subtotal	69,693,042	69,693,042	69,687,701	5,341
Transfers to CNR Funds	<u>(550,300)</u>	<u>(550,300)</u>	<u>(550,300)</u>	<u>-</u>
Total Expenditures	<u>\$ 69,142,742</u>	<u>\$ 69,142,742</u>	<u>\$ 69,137,401</u>	<u>\$ 5,341</u>

**TOWN OF SIMSBURY, CONNECTICUT  
CAPITAL PROJECT FUND  
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Fund Number	Appropriations			Expenditures				Encumbrances 6/30/2019	Uncommitted Balance June 30, 2019
		Balance June 30, 2018	Current Year	Balance June 30, 2019	Balance June 30, 2018	Current Year	Payments on Prior Year Encumbrances	Balance June 30, 2019		
Sewer extension projects:										
Project 2010	319	\$ 260,000	\$	\$ 260,000	\$ 162,221	\$ 76,589	\$	\$ 238,810	\$	\$ 21,190
Project 2013	315	272,320		272,320	266,377	5,943		272,320		-
Wolcott Pump Station	321	1,378,500		1,378,500	1,008,080	685,541		1,693,621		(315,121)
Sewer Main Extensions	390	156,000		156,000	56,880	99,120		156,000		-
Sewer Main Extensions	513	371,000		371,000		269,463		269,463		101,537
Hopmeadow/Center Area Sewer repairs	515	135,000		135,000				-		135,000
Portable Generator	517	80,000		80,000	35,813			35,813	24,850	19,337
Sewer Main Extensions/Repairs - Massaco St.	540	104,000		104,000	83,593	20,407		104,000		-
Hopmeadow/Center Area Sewer Repairs	541	100,000		100,000				-		100,000
Oxidation Ditch Dissolved Oxygen Control	543	27,000		27,000	16,120			16,120		10,880
36 Drake Hill Rd Dike Analysis	558	75,000		75,000				-		75,000
Phosphorus Removal Analysis	559	150,000		150,000				-		150,000
Hayes Road Pump	560	45,000		45,000	20,004	24,996		45,000		-
Tariffville Area Sewer	561	100,000		100,000				-		100,000
WPC Plan update	562	100,000		100,000				-		100,000
Jet/Flush Truck	326		175,000	175,000				-		175,000
Tariffville Sewer	332		100,000	100,000				-		100,000
Primary Clarifier	334		75,000	75,000				-	19,895	55,105
Plant H2O Sys Rehab	335		80,000	80,000				-		80,000
Town projects:										
Town Security Measures	281	77,600		77,600	46,384			46,384	6,525	24,691
Open Space - Betty Hudson Property	336	275,000		275,000	243,101	4,715		247,816		27,184
Center Area Charrette Infrastructure	340	540,000		540,000	279,884	10,116		290,000		250,000
Senior/Community Center Design	346	321,699		321,699	155,489	8,107		163,596		158,103
Town Teledata	355	125,000		125,000	122,627	2,373		125,000		-
Multi Use Trail Connections/Master Plan Updates	383	212,000		212,000	82,118	129,882		212,000		-
Bridge Improvements (Design-FY15)	385	115,000		115,000	48,319	19,074		67,393		47,607
Technology Infrastructure	387	635,395		635,395	495,360			495,360		140,035
Park Improvements	502	508,000		508,000	456,086	49,914	2,000	508,000		-
Weatogue Planning Route 10 and Code Prep	504	57,000		57,000				-		57,000
Municipal Building Renovations	506	50,000		50,000	35,787	11,113	3,100	50,000		-
Town Hall Site and Safety Improvements	509	45,000		45,000	11,120	2,500		13,620		31,380
Portable Generator / Generator Infrastructure	510	80,000		80,000	48,317	31,100		79,417		583

(Continued on next page)

**TOWN OF SIMSBURY, CONNECTICUT  
CAPITAL PROJECT FUND  
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Fund Number	Appropriations			Expenditures				Encumbrances 6/30/2019	Uncommitted Balance June 30, 2019
		Balance June 30, 2018	Current Year	Balance June 30, 2019	Balance June 30, 2018	Current Year	Payments on Prior Year Encumbrances	Balance June 30, 2019		
Project Planning Fund	511	\$ 28,000	\$	\$ 28,000	\$ 9,800	\$	\$	\$ 9,800	\$	\$ 18,200
Veterans Memorial (STEAP Grant)	522	680,495	(200,000)	480,495	412,978	4,539		417,517		62,978
Multi-Use Connections & Master Plan Updates	523	1,160,000		1,160,000	40,246	89,082		129,328		1,030,672
SF Golf Course Improvements	524	125,000	9,609	134,609	92,642	41,966		134,608		1
Greenway Improvements	525	240,000		240,000	237,475		2,525	240,000		-
Open Space Planning Improvements	526	540,000	165,410	705,410	49,567	61,252		110,819		594,591
Street Lighting Purchase / Lighting Improvements	527	937,322		937,322	872,936	2,854		875,790		61,532
Highway Pavement Management	528	2,500,000		2,500,000	2,395,571	104,428		2,499,999		1
Dam Evaluations and Repairs	529	220,000		220,000	78,220	29,886		108,106		111,894
Public Works Complex Infrastructure Improvements	530	450,000	250,000	700,000	184,093			184,093		515,907
Town Hall Site and Safety Improvements	531	385,000		385,000		4,673		4,673		380,327
Plan of Conservation & Development	532	165,000		165,000	86,830	78,170		165,000		-
Portable Generator Infrastructure	533	175,000		175,000	20,477	54,296		74,773	46,500	53,727
Land Use Studies	536	92,500		92,500		19,246		19,246		73,254
Storage Building	544	65,000		65,000				-	11,750	53,250
SF Rink/Pool Improvements	547	950,000		950,000	897,517	52,484		950,001		(1)
Park Improvements	548	311,000		311,000	277,153	26,912	6,935	311,000		-
Street Lighting Purchase / Lighting Improvements	549	400,000		400,000		4,855		4,855		395,145
Iron Horse Blvd Playground Renovation	550	298,000		298,000	234,510	63,490		298,000		-
Finance Security Upgrades	551	150,000	80,000	230,000	74,823	1,821		76,644		153,356
Eno Memorial Hall Renovations	552	300,000		300,000	2,577	258,772		261,349		38,651
Cold Storage Facility	553	380,000		380,000		4,612		4,612		375,388
Town Facilities Master Plan	554	400,000		400,000	8,640	4,855		13,495		386,505
Library Interior/Parking Renovations	555	584,500		584,500	13,040	112,066		125,106		459,394
Library Lower Level Improvements	556	906,048		906,048	83	683,057		683,140		222,908
Zoning Regulation Update	557	65,000		65,000		5,000		5,000		60,000
Bridge Improvements	564	805,000		805,000		28,992		28,992		776,008
Drainage Improvements	565	125,000		125,000	81,904	43,096		125,000		-
Sidewalk Resurface	325		250,000	250,000		24,542		24,542		225,458
Ashborer Tree Mig	338		85,000	85,000		85,000		85,000		-
Multi-Use Trail	342		1,020,000	1,020,000				-		1,020,000
Highway Pavement Management	345		845,000	845,000		816,820		816,820		28,180
Greenway Improvements	538		275,000	275,000		26,538		26,538		248,462
Fencing at Bandshell (PAC)	501		100,000	100,000				-		100,000
Education projects:										
Boiler Replacement Squadron Line	377	850,000		850,000	740,125	107,284		847,409		2,591
HJMS Phase 1A	393	1,255,000		1,255,000	1,168,300			1,168,300		86,700
SHS Turf Field/Synthetic Track Maintenance	394	910,000		910,000	862,912			862,912		47,088
Squadron Line Main Office Project	395	1,050,000		1,050,000	867,602	1,227		868,829		181,171
District Network Infrastructure	519	200,000		200,000	186,257	13,743		200,000		-
Climate Control Phases 1 (FY16) & 2 (FY17)	520	3,100,000		3,100,000	2,171,928	77,060		2,248,988		851,012
Central School Roof Replacement	521	770,000		770,000	620,603			620,603		149,397
District Network Infrastructure	545	450,000		450,000	409,419	75,505		484,924		(34,924)
HJMS Renovation - Phase 2	546	1,950,000		1,950,000	1,751,860			1,751,860		198,140
SHS Tennis Court Replacement	563	740,000		740,000	523,785	36,027	5,398	565,210		174,790
Boiler Replacement Latimer	381		900,000	900,000				-		900,000
School Security Improvements	382		850,000	850,000		480,155		480,155		369,845
School Facility Master Plan	386		200,000	200,000		43,647		43,647		156,353
District Network Infrastructure	388		400,000	400,000		150,657		150,657		249,343
HJMS Renovation - Phase 3	537		23,965,620	23,965,620		1,437,414		1,437,414		22,528,206
Totals		\$ 31,108,379	\$ 29,625,639	\$ 60,734,018	\$ 19,047,553	\$ 6,606,976	\$ 19,958	\$ 25,674,487	\$ 109,520	\$ 34,950,011

**TOWN OF SIMSBURY, CONNECTICUT  
CAPITAL AND NONRECURRING EXPENDITURES FUND  
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Fund Number	Appropriations			Expenditures				Encumbrances 6/30/2019	Designated for Specific Projects June 30, 2019
		Balance	Current	Balance	Balance	Current	Payments on Prior Year	Balance		
		July 1, 2018	Year	6/30/2019	July 1, 2018	Year	Encumbrances	6/30/2019		
Computer Equipment	302	\$ 13,000	\$	\$ 13,000	\$ 13,000	\$	\$	\$ 13,000	\$	-
Tech & Program Equipment	302	13,310		13,310	13,310			13,310		-
Renovations - Interior	302	195,000		195,000	195,000			195,000		-
Renovations - Exterior	302	10,000		10,000	6,450			6,450		3,550
Modifications - Plumbing	302	10,000		10,000	8,460			8,460		1,540
Ceiling/Floor Replacement	302	126,000		126,000	125,999			125,999		1
School Buses	302	170,000		170,000	170,000			170,000		-
School Equipment	302	9,000		9,000	9,000			9,000		-
Building Improvements	302	404,909		404,909	53,003	19,439		72,442		332,467
Tech & Program Equipment	302	25,000		25,000	24,546			24,546		454
Trucks	302	130,000		130,000	129,900			129,900		100
Road Improvements	302	157,471		157,471	157,471			157,471		-
Trucks	302	58,000		58,000	60,003			60,003		(2,003)
Pickup Trucks	302	38,000		38,000	37,194			37,194		806
Machinery & Equipment	302	53,500		53,500	53,436			53,436		64
Transfer Out	302				268,421	104,000		372,421		(372,421)
Police Vehicles	304	87,000		87,000	87,000			87,000		-
Tech & Program Equipment	304	2,800		2,800	3,740			3,740		(940)
Machinery & Equipment	304	14,500		14,500	18,007			18,007		(3,507)
Trucks	304	140,000		140,000	144,070			144,070		(4,070)
Road Improvements	304	155,184		155,184	155,184			155,184		-
Machinery & Equipment	304	5,250		5,250	5,250			5,250		-
Machinery & Equipment	304	88,000		88,000	87,823			87,823		177
Machinery & Equipment	304	75,000		75,000	74,999			74,999		1
Machinery & Equipment	304	3,700		3,700	3,937			3,937		(237)
Renovations - Interior	304	132,500		132,500	132,600			132,600		(100)
Renovations - Exterior	304	66,000		66,000	66,001			66,001		(1)
Modifications - Plumbing	304	23,000		23,000	15,960			15,960		7,040
Ceiling/Floor Replacement	304	46,000		46,000	46,000			46,000		-
Trucks	304	32,000		32,000	32,000			32,000		-
School Buses	304	174,000		174,000	174,000			174,000		-
School Equipment	304	97,000		97,000	93,397			93,397		3,603
Computer Software	305	34,000		34,000	34,000			34,000		-
Police Vehicles	305	87,000		87,000	87,000			87,000		-
Seasonal Labor	305				3,105			3,105		(3,105)
Social Security/FICA	305				238			238		(238)
Machinery & Equipment	305	40,000		40,000	25,239			25,239		14,761
Trucks	305	226,500		226,500	227,900			227,900		(1,400)
Street Signs	305	30,000		30,000	30,338			30,338		(338)
Road Improvements	305	154,713		154,713	156,663			156,663		(1,950)
Trucks	305	26,300		26,300	22,501			22,501		3,799
Machinery & Equipment	305	56,000		56,000	55,625			55,625		375
Renovations - Interior	305	87,500		87,500	86,981			86,981		519
Renovations - Exterior	305	38,000		38,000	38,000			38,000		-
Modifications - Plumbing	305	31,000		31,000	28,735			28,735		2,265
Ceiling/Floor Replacement	305	75,000		75,000	75,000			75,000		-
School Buses	305	303,000		303,000	303,000			303,000		-
School Equipment	305	36,000		36,000	36,000			36,000		-
Transfer Out	305					2,147		2,147		(2,147)

(Continued on next page)



**TOWN OF SIMSBURY, CONNECTICUT  
CAPITAL AND NONRECURRING EXPENDITURES FUND  
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Fund Number	Appropriations			Expenditures				Encumbrances 6/30/2019	Designated for Specific Projects June 30, 2019
		Balance July 1, 2018	Current Year	Balance 6/30/2019	Balance July 1, 2018	Current Year	Payments on Prior Year Encumbrances	Balance 6/30/2019		
Communications Equipment	300	\$ 20,000	\$	20,000	\$ 17,848	\$	\$	17,848	\$	2,152
Police Vehicles	300	87,000		87,000	87,000			87,000		-
Renovations - Interior	300	70,000		70,000	32,330			32,330		37,670
Renovations - Exterior	300	98,000		98,000	84,994			84,994		13,006
Modifications - Plumbing	300	25,000		25,000	25,000			25,000		-
Ceiling/Floor Replacement	300	80,000		80,000	69,093		46,788	115,881		(35,881)
School Buses	300	362,000		362,000	362,000			362,000		-
Trucks	300	181,500		181,500	180,754			180,754		746
Road Improvements	300	157,504		157,504	157,504			157,504		-
Trucks	300	32,000		32,000	35,100			35,100		(3,100)
Tech & Program Equipment	300	8,000		8,000	7,227			7,227		773
Mowers	300	13,000		13,000	9,900			9,900		3,100
Renovations - Interior	306	49,500		49,500	1,678	3,314		4,992		44,508
Tech & Program Equipment	306	12,500		12,500						12,500
Trucks	306	36,750		36,750	36,540			36,540		210
HVAC Modifications	306	35,000		35,000	1,322	(180)	8,429	9,571		25,429
Trucks	306	155,000		155,000	155,000			155,000		-
Road Improvements	306	288,757		288,757	164,871			164,871		123,886
Machinery & Equipment	306		12,500	12,500		6,962		6,962		5,538
Machinery & Equipment	306		12,500	12,500		6,822		6,822		5,678
Police Vehicles	306	95,000		95,000	106,273	159		106,432		(11,432)
Tech & Program Equipment	306	12,500		12,500						12,500
Machinery & Equipment	306	25,000		25,000	25,000			25,000		-
Mowers	306	20,000		20,000		20,000		20,000		-
Renovations - Interior	306	60,000		60,000	7,446	27,696		35,142		24,858
Renovations - Exterior	306	58,000		58,000		57,834		57,834		166
Modifications - Plumbing	306	10,000		10,000		8,235		8,235		1,765
Ceiling/Floor Replacement	306	40,000		40,000		23,996	822	24,818		15,182
School Buses	306	352,000		352,000	286,293	65,707		352,000		-
Road Improvements	307		155,000	155,000		155,000		155,000		-
DWW Expenses	307		25,000	25,000		44,027		44,027		(19,027)
Renovations - Interior	307		27,700	27,700						27,700
Consultant	307		40,000	40,000		39,796		39,796		204
Machinery & Equipment	307		19,200	19,200		19,168		19,168		32
Police Vehicles	307		111,000	111,000		110,916		110,916		84
Bldg Renovations - Exterior	307		19,000	19,000		18,725		18,725		275
Machinery & Equipment	307		7,200	7,200		7,199		7,199		1
Trucks	307		49,000	49,000		49,000		49,000		-
Machinery & Equipment	307		50,000	50,000		49,476		49,476		524
Mowers	307		70,000	70,000		68,332		68,332		1,668
Park Improvements	307		40,000	40,000		4,832		4,832		35,168
Technical & Program Equipment	307		10,850	10,850		11,146		11,146		(296)
Renovations - Interior	307		120,500	120,500						120,500
Bldg Renovations - Exterior	307		58,000	58,000		1,542		1,542		56,458
Modifications - Plumbing	307		10,000	10,000						10,000
School Buses	307		382,000	382,000		25,057		25,057		356,943
Assessor Revaluation	301		61,500	61,500						61,500
		\$ 6,164,148	\$ 1,280,950	\$ 7,445,098	\$ 5,528,659	\$ 950,347	\$ 56,039	\$ 6,535,045	\$ -	\$ 910,053



# **Nonmajor Governmental Funds**

# Nonmajor Governmental Funds

## Special Revenue Funds

Special revenue funds are used to account for proceeds of several revenue sources that are legally restricted to expenditures for specific purposes. The Town's special revenue funds are:

**Residential Rental Properties** - to account for rental revenues and the maintenance and capital expenditures in maintaining the Town owned residential properties.

**Simsbury Farms Fund** - to account for user revenues associated with the Simsbury Farms Recreation Facility and the associated expenditures.

**General Government Program Fund** - includes the following programs:

- **Preservation of Historic Documents** - to account for, in the Town Clerk's office, additional revenues collected, grant revenues received and expenditures to preserve land records pursuant to Public Act No. 00-146.
- **LOCIP** - to account for document fees collected by Town Clerk's office to be used for expenditures that qualify under the State Local Capital Improvement (LOCIP) grants.
- **Preserve America** - to account for funds received from Federal Preserve America Program, State of Connecticut, Commission on Culture & Tourism and Simsbury Main Street Partnership. Expenditures will be made to pay for program activities associated with Preserve America Marketing Grant.
- **Ellsworth Fund** - to be used for the beautification of the main streets of the Town of Simsbury, particularly Hopmeadow Street and/or expenses relating to the Planning Commission.

**Public Safety Program Fund** - includes the following programs:

- **Narcotics Task Force** - to account for state grants for narcotic enforcement.
- **Police Dare Program** - to account for state grants for narcotic education.
- **Local Law Enforcement Block Grant** - to account for local law enforcement block grant from the State of Connecticut Office of Policy and Management and the United States Department of Justice. Expenditures are for public safety equipment not otherwise budgeted for in the public safety operating budget.
- **Police Vehicles** - to account for revenues associated with the sale of police vehicles and funding from the General Fund budget to be used for the purchase of new police vehicles.
- **Police Special Duty** - to account for revenues and expenditures for police officers special duty for outside organizations.
- **DUI Enforcement** - to account for revenues and expenditures for DUI check points funded by a DUI enforcement grant passed through the Connecticut Department of Transportation.

**Planning & Development Program Fund** - to account for all financial resources of the community development block grant, the greenway project, the Simsbury meadow bandshell, the small cities community development block grant, the plan of conservation & development and the town center.

**Facilities Management Program Fund** - includes the following programs:

- **Town Aid Fund** - to account for state town aid road grants and related expenses to town roads.
- **Eno Memorial Hall** - to account for the revenue from the settlement of the Kenessat painting and the expenditures for capital improvements and maintenance for the Eno Memorial Hall building.
- **Antoinette Eno Wood** - to account for the distribution of Trust's interest income to the Town and expenses related in maintaining Eno Memorial Hall. The assets are held in a separate trust and are not in the Town's name.
- **Horace Belden Income** - to account for the distribution of Trust's interest income to the Town and expenses related in maintaining town roads. The assets are held in a separate trust and are not in the Town's name.
- **Pease Cemetery Trust** - to maintain the Pease and Shaw cemetery lots.
- **Hazard Mitigation** - to account for grants received from the Federal Emergency Management Administration for maintenance and reconstruction to alleviate storm drainage and flooding.

**Health & Welfare Program Fund** - includes the following programs:

- **Social Workers Contingency** - to account for donations and gifts and associated expenses related for the well-being of town citizens in need of assistance.
- **Expanded Dial-A-Ride** - to account for grant and expenditures related to an expanded dial-a-ride service to the elderly and disabled residents of program.
- **Senior Center** - to account for donations and expenses related to senior center programs.
- **Youth Services** - to account for grant and expenditures related to youth services.
- **Julia Darling Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well-being of Town citizens in need of assistance. The assets are held in a separate trust and are not in the Town's name.
- **Kate Southwell Income** - to account for the distribution of Trust's interest income to the Town and expenses related to the well-being of Town citizens, excluding citizens of Tariffville, in need of assistance. The assets are held in a separate trust and are not in the Town's name.
- **Mary Schneider Memorial** - to account for donations to the Town and expenses related to the well-being of Town citizens in need of assistance.

**Culture & Recreation Program Fund** - includes the following program:

- **Library** - to account for donations, memorial gifts and miscellaneous grants and expenses related to the operations of the library.
- **Dog Park** - to account for donations and expenses related to the operations of the dog park.

**Sewer Assessment Fund** - to account for all financial resources extending sewers within the Town of Simsbury.

**Cafeteria** - to account for the operation of all cafeterias for the public school system.

**State and Federal Education Grants** - to account for specially financed education programs under grants received from the Federal Government and the State of Connecticut.

### **Capital Project Funds**

Capital project funds are used to account for financial resources that are restricted or committed for capital outlays including the acquisition or construction of capital facilities and other capital assets.

**Capital and Nonrecurring Expenditures Fund** - to account for equipment purchases and other nonrecurring capital expenditures.

**TOWN OF SIMSBURY, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

EXHIBIT B-1

	Special Revenue Funds					
	Residential Rental Properties	Simsbury Farms Fund	General Government Program Fund	Public Safety Program Fund	Planning & Development Program Fund	Facilities Management Program Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 347,289	\$ 471,079	\$ 127,892	\$ 375,817	\$ 379,022	\$ 1,257,089
Receivables:						
Accounts				66,680	21,739	
Special assessments						
Due from other governments				457	132,269	
Inventories						
Prepaid expenditures		3,935				64,223
Total Assets	<u>\$ 347,289</u>	<u>\$ 475,014</u>	<u>\$ 127,892</u>	<u>\$ 442,954</u>	<u>\$ 533,030</u>	<u>\$ 1,321,312</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 6,294	\$ 134,559	\$ 2,783	\$ 2,932	\$ 2,202	\$ 98,334
Due to other governments						
Unearned revenue		267,253			130,067	2,528
Total liabilities	<u>6,294</u>	<u>401,812</u>	<u>2,783</u>	<u>2,932</u>	<u>132,269</u>	<u>100,862</u>
Deferred inflows of resources:						
Unavailable revenue - special assessments					21,739	
Unavailable revenue - loans receivable						
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,739</u>	<u>-</u>
Fund balances:						
Nonspendable		3,935				64,223
Restricted						1,350,598
Committed	340,995	69,267	125,109	440,022	379,022	
Unassigned						(194,371)
Total fund balances	<u>340,995</u>	<u>73,202</u>	<u>125,109</u>	<u>440,022</u>	<u>379,022</u>	<u>1,220,450</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 347,289</u>	<u>\$ 475,014</u>	<u>\$ 127,892</u>	<u>\$ 442,954</u>	<u>\$ 533,030</u>	<u>\$ 1,321,312</u>

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**TOWN OF SIMSBURY, CONNECTICUT  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

EXHIBIT B-1

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Health & Welfare Program Fund	Culture & Recreation Program Fund	Sewer Assessment Fund	Cafeteria	State and Federal Education Grants	Capital and Nonrecurring Expenditures Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 290,349	\$ 106,711	\$ 1,146,957	\$ 230,411	\$ 79,035	\$ 1,343,528	\$ 6,155,179
Receivables:							
Accounts		6,840		249			95,508
Special assessments			790,382				790,382
Due from other governments	14,963			50,804	147,078		345,571
Inventories				30,291			30,291
Prepaid expenditures		20,116				6,801	95,075
Total Assets	<u>\$ 305,312</u>	<u>\$ 133,667</u>	<u>\$ 1,937,339</u>	<u>\$ 311,755</u>	<u>\$ 226,113</u>	<u>\$ 1,350,329</u>	<u>\$ 7,512,006</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 21,652	\$ 22,281	\$	\$ 126,585	\$ 199,700	\$ 14,175	\$ 631,497
Due to other governments					20,753		20,753
Unearned revenue	2,947				5,618	314,558	722,971
Total liabilities	<u>24,599</u>	<u>22,281</u>	<u>-</u>	<u>126,585</u>	<u>226,071</u>	<u>328,733</u>	<u>1,375,221</u>
Deferred inflows of resources:							
Unavailable revenue - special assessments			790,382				790,382
Unavailable revenue - loans receivable							21,739
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>790,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>812,121</u>
Fund balances:							
Nonspendable		20,116		30,291		6,801	125,366
Restricted	81,144				42		1,431,784
Committed	199,569	91,270	1,146,957	154,879		1,014,795	3,961,885
Unassigned							(194,371)
Total fund balances	<u>280,713</u>	<u>111,386</u>	<u>1,146,957</u>	<u>185,170</u>	<u>42</u>	<u>1,021,596</u>	<u>5,324,664</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 305,312</u>	<u>\$ 133,667</u>	<u>\$ 1,937,339</u>	<u>\$ 311,755</u>	<u>\$ 226,113</u>	<u>\$ 1,350,329</u>	<u>\$ 7,512,006</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Special Revenue Funds</b>					
	<b>Residential Rental Properties</b>	<b>Simsbury Farms Fund</b>	<b>General Government Program Fund</b>	<b>Public Safety Program Fund</b>	<b>Planning &amp; Development Program Fund</b>	<b>Facilities Management Program Fund</b>
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$
Charges for goods and services	78,531	1,467,066	9,810	13,263	363,265	366,024
Investment income (loss)			52,613	393,764		862
Assessments			443			
Other		25,989		8,287		87,434
Total revenues	<u>78,531</u>	<u>1,493,055</u>	<u>62,866</u>	<u>415,314</u>	<u>363,265</u>	<u>454,320</u>
Expenditures:						
Current operating:						
General government			45,187			
Planning and development					363,265	
Public safety				320,303		
Facility management	32,230					250,001
Culture and recreation		2,063,776				
Health and welfare						
Education						
Capital outlay		4,571				79,945
Debt service	8,628					
Total expenditures	<u>40,858</u>	<u>2,068,347</u>	<u>45,187</u>	<u>320,303</u>	<u>363,265</u>	<u>329,946</u>
Excess (Deficiency) of Revenues over Expenditures	<u>37,673</u>	<u>(575,292)</u>	<u>17,679</u>	<u>95,011</u>	<u>-</u>	<u>124,374</u>
Other Financing Sources:						
Transfers in		616,668	25,298		13,000	2,335
Transfers out			(27,700)	(12,788)		(20,410)
Total other financing sources	<u>-</u>	<u>616,668</u>	<u>(2,402)</u>	<u>(12,788)</u>	<u>13,000</u>	<u>(18,075)</u>
Net Change in Fund Balances	37,673	41,376	15,277	82,223	13,000	106,299
Fund Balances at Beginning of Year	<u>303,322</u>	<u>31,826</u>	<u>109,832</u>	<u>357,799</u>	<u>366,022</u>	<u>1,114,151</u>
Fund Balances at End of Year	<u>\$ 340,995</u>	<u>\$ 73,202</u>	<u>\$ 125,109</u>	<u>\$ 440,022</u>	<u>\$ 379,022</u>	<u>\$ 1,220,450</u>

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**TOWN OF SIMSBURY, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds						
	Health & Welfare Program Fund	Culture & Recreation Program Fund	Sewer Assessment Fund	Cafeteria	State and Federal Education Grants	Capital and Nonrecurring Expenditures Fund	Total Nonmajor Governmental Funds
Revenues:							
Intergovernmental	\$ 54,809	\$ 20,928	\$	\$ 332,150	\$ 5,032,844	\$ 208,535	\$ 6,401,628
Charges for goods and services				900,085			2,892,059
Investment income (loss)			19,513			42	20,860
Assessments			133,860				133,860
Other	145,861	102,104	13,041			3,343	386,059
Total revenues	<u>200,670</u>	<u>123,032</u>	<u>166,414</u>	<u>1,232,235</u>	<u>5,032,844</u>	<u>211,920</u>	<u>9,834,466</u>
Expenditures:							
Current operating:							
General government							45,187
Planning and development							363,265
Public safety							320,303
Facility management							282,231
Culture and recreation		102,055					2,165,831
Health and welfare	187,266						187,266
Education				1,192,209	5,032,802		6,225,011
Capital outlay						900,239	984,755
Debt service							8,628
Total expenditures	<u>187,266</u>	<u>102,055</u>	<u>-</u>	<u>1,192,209</u>	<u>5,032,802</u>	<u>900,239</u>	<u>10,582,477</u>
Excess (Deficiency) of Revenues over Expenditures	<u>13,404</u>	<u>20,977</u>	<u>166,414</u>	<u>40,026</u>	<u>42</u>	<u>(688,319)</u>	<u>(748,011)</u>
Other Financing Sources:							
Transfers in						1,065,800	1,723,101
Transfers out			(521,335)			(106,147)	(688,380)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(521,335)</u>	<u>-</u>	<u>-</u>	<u>959,653</u>	<u>1,034,721</u>
Net Change in Fund Balances	13,404	20,977	(354,921)	40,026	42	271,334	286,710
Fund Balances at Beginning of Year	<u>267,309</u>	<u>90,409</u>	<u>1,501,878</u>	<u>145,144</u>		<u>750,262</u>	<u>5,037,954</u>
Fund Balances at End of Year	<u>\$ 280,713</u>	<u>\$ 111,386</u>	<u>\$ 1,146,957</u>	<u>\$ 185,170</u>	<u>\$ 42</u>	<u>\$ 1,021,596</u>	<u>\$ 5,324,664</u>

**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Residential Rental Properties				Simsbury Farms Fund			
	Budget		Actual	Variance with Final Budget Positive (Negative)	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Charges for goods and services	\$	\$	\$	\$ -	\$ 1,855,500	\$ 1,855,500	\$ 1,439,216	\$ (416,284)
Rental of town-owned property	36,423	36,423	78,531	42,108	26,500	26,500	27,850	1,350
Misc				-			25,989	25,989
Total revenues	<u>36,423</u>	<u>36,423</u>	<u>78,531</u>	<u>42,108</u>	<u>1,882,000</u>	<u>1,882,000</u>	<u>1,493,055</u>	<u>(388,945)</u>
Expenditures:								
Current:								
Facility management	27,900	27,900	32,230	(4,330)				-
Culture and recreation				-	1,981,983	1,981,983	2,063,776	(81,793)
Capital outlay				-			4,571	(4,571)
Debt service	<u>8,523</u>	<u>8,523</u>	<u>8,628</u>	<u>(105)</u>				-
Total expenditures	<u>36,423</u>	<u>36,423</u>	<u>40,858</u>	<u>(4,435)</u>	<u>1,981,983</u>	<u>1,981,983</u>	<u>2,068,347</u>	<u>(86,364)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>37,673</u>	<u>37,673</u>	<u>(99,983)</u>	<u>(99,983)</u>	<u>(575,292)</u>	<u>(475,309)</u>
Other Financing Sources:								
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>616,668</u>	<u>516,668</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>37,673</u>	<u>\$ 37,673</u>	<u>\$ 17</u>	<u>\$ 17</u>	<u>41,376</u>	<u>\$ 41,359</u>
Fund Balances at Beginning of Year			<u>303,322</u>				<u>31,826</u>	
Fund Balances at End of Year			<u>\$ 340,995</u>				<u>\$ 73,202</u>	



# **Internal Service Funds**

## Internal Service Funds

**PPO/HDHP/HMO** - This fund is used to account for premiums and claims relating to the self-insurance health coverage for those Town and Board of Education current employees who elected to receive health coverage under the CIGNA PPO (Preferred Provided Option Plan), the CIGNA HDHP (High Deductible Health Plan) or the CIGNA HMO (In Network Only Option) Plan. For Town employees, that can include medical/prescription and/or dental coverage. For Board of Education employees, that includes just medical/prescription coverage.

**Dental** - This fund is used to account for premiums and claims relating to the self-insurance dental coverage for current Board of Education employees only who have elected to receive dental coverage under the MetLife Plan.

**TOWN OF SIMSBURY, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>		
	<b>Internal Service Funds</b>		
	<b>PPO/HDHP/HMO</b>	<b>Dental</b>	<b>Total</b>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,872,924	\$ 449,095	\$ 2,322,019
Prepaid items	329,000		329,000
Total current assets	2,201,924	449,095	2,651,019
Liabilities:			
Current liabilities:			
Claim incurred but not reported	719,517	21,575	741,092
Net Position:			
Unrestricted	\$ 1,482,407	\$ 427,520	\$ 1,909,927

**TOWN OF SIMSBURY, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities</b>		
	<b>Internal Service Funds</b>		
	<b>PPO/HDHP/HMO</b>	<b>Dental</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ 13,498,532	\$ 485,608	\$ 13,984,140
Other operating revenue	483,286		483,286
Total operating revenues	<u>13,981,818</u>	<u>485,608</u>	<u>14,467,426</u>
Operating Expenses:			
Claims incurred	12,798,128	437,036	13,235,164
Administration and stop loss insurance fees	978,588		978,588
Total operating expenses	<u>13,776,716</u>	<u>437,036</u>	<u>14,213,752</u>
Operating Income	205,102	48,572	253,674
Transfers In	<u>1,400,000</u>		<u>1,400,000</u>
Change in Net Position	1,605,102	48,572	1,653,674
Net Position at Beginning of Year	<u>(122,695)</u>	<u>378,948</u>	<u>256,253</u>
Net Position at End of Year	<u>\$ 1,482,407</u>	<u>\$ 427,520</u>	<u>\$ 1,909,927</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Governmental Activities		
	Internal Service Funds		
	PPO/HDHP/HMO	Dental	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 13,981,818	\$ 485,608	\$ 14,467,426
Payments to employees	<u>(14,887,828)</u>	<u>(434,451)</u>	<u>(15,322,279)</u>
Net cash provided by (used in) operating activities	(906,010)	51,157	(854,853)
Cash Flows from Noncapital Financing Activities:			
Payments from (to) other funds	<u>1,400,000</u>		<u>1,400,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	493,990	51,157	545,147
Cash and Cash Equivalents at Beginning of Year	<u>1,378,934</u>	<u>397,938</u>	<u>1,776,872</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,872,924</u>	<u>\$ 449,095</u>	<u>\$ 2,322,019</u>
Reconciliation of Operating Income (Loss)			
to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ <u>205,102</u>	\$ <u>48,572</u>	\$ <u>253,674</u>
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	40		40
(Increase) decrease in prepaid items	40,583		40,583
Increase (decrease) in accounts payable	(6,245)		(6,245)
Increase (decrease) in claims payable	<u>(1,145,490)</u>	<u>2,585</u>	<u>(1,142,905)</u>
Total adjustments	<u>(1,111,112)</u>	<u>2,585</u>	<u>(1,108,527)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (906,010)</u>	<u>\$ 51,157</u>	<u>\$ (854,853)</u>



# Fiduciary Funds



# Fiduciary Funds

Fiduciary Fund types are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or others. The Town's Fiduciary Funds are as follows:

## Trust Funds:

- ❑ **Pension Trust Fund** - to account for the activities of the Town's defined benefit plans which accumulate resources for pension benefit payments to qualified employees.
- ❑ **Other Post Employment Benefit Trust Fund** - to account for the activities for both Town and Board of Education for other post employment benefits (e.g., health insurance, life insurance) which accumulate resources for other post employment benefit payments to qualified employees.

## Agency Funds:

- ❑ **School Activity** - to account for the various student activities and clubs.
- ❑ **Department of Continuing Education** – to account for activities of continuing education programs
- ❑ **Simsbury Enrichment & Extended Day** - to account for enrichment and extended day activities
- ❑ **Flex Spending** - allows employees to use payroll deductions to fund an individual flex spending account for dependent care or medical expenses. Reimbursements are paid from the account by a third-party administrator in accordance with IRS regulations.

**TOWN OF SIMSBURY, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION - TRUST FUNDS**  
**JUNE 30, 2019**

	<b>Pension Trust Funds</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 505,215	\$ 399,746	\$ 904,961
Investments, at fair value:			
Mutual funds	62,096,616	16,313,020	78,409,636
Private equity funds	3,740,304		3,740,304
Accounts receivable	70,148		70,148
<b>Total Assets</b>	<b>66,412,283</b>	<b>16,712,766</b>	<b>83,125,049</b>
<b>Liabilities:</b>			
Accounts payable	18,908	9,266	28,174
<b>Net Position</b>	<b>\$ 66,393,375</b>	<b>\$ 16,703,500</b>	<b>\$ 83,096,875</b>

**TOWN OF SIMSBURY, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Pension Trust Funds</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 2,624,519	\$ 1,157,219	\$ 3,781,738
Plan members	929,290	174,772	1,104,062
Total contributions	<u>3,553,809</u>	<u>1,331,991</u>	<u>4,885,800</u>
Investment earnings:			
Net change in fair value of investments	1,911,218	549,558	2,460,776
Interest	<u>1,596,029</u>	<u>413,646</u>	<u>2,009,675</u>
Total investment gain	<u>3,507,247</u>	<u>963,204</u>	<u>4,470,451</u>
Less investment expenses:			
Investment management fees	<u>98,035</u>	<u>31,641</u>	<u>129,676</u>
Net investment gain	<u>3,409,212</u>	<u>931,563</u>	<u>4,340,775</u>
Total additions	<u>6,963,021</u>	<u>2,263,554</u>	<u>9,226,575</u>
Deductions:			
Benefits	4,499,489	969,404	5,468,893
Administrative expense	<u>164,436</u>	<u>4,925</u>	<u>169,361</u>
Total deductions	<u>4,663,925</u>	<u>974,329</u>	<u>5,638,254</u>
Net Change in Net Position	2,299,096	1,289,225	3,588,321
Net Position at Beginning of Year	<u>64,094,279</u>	<u>15,414,275</u>	<u>79,508,554</u>
Net Position at End of Year	<u>\$ 66,393,375</u>	<u>\$ 16,703,500</u>	<u>\$ 83,096,875</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**AGENCY FUNDS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
<b>School Activity Fund</b>				
Assets:				
Cash and short-term investments	\$ <u>497,593</u>	\$ <u>1,514,377</u>	\$ <u>1,535,893</u>	\$ <u>476,077</u>
Liabilities:				
Due to student groups	\$ <u>484,920</u>	\$ <u>1,504,417</u>	\$ <u>1,535,893</u>	\$ <u>453,444</u>
Due to other funds	<u>12,673</u>	<u>9,960</u>		<u>22,633</u>
Total Liabilities	\$ <u>497,593</u>	\$ <u>1,514,377</u>	\$ <u>1,535,893</u>	\$ <u>476,077</u>
<b>Department of Continuing Education</b>				
Assets:				
Cash and short-term investments	\$ <u>586,405</u>	\$ <u>951,155</u>	\$ <u>900,574</u>	\$ <u>636,986</u>
Liabilities:				
Due to student groups	\$ <u>586,405</u>	\$ <u>951,155</u>	\$ <u>900,574</u>	\$ <u>636,986</u>
<b>Simsbury Enrichment &amp; Extended Day</b>				
Assets:				
Cash and short-term investments	\$ <u>58,038</u>	\$ <u>850,430</u>	\$ <u>848,366</u>	\$ <u>60,102</u>
Liabilities:				
Due to student groups	\$ <u>58,038</u>	\$ <u>850,430</u>	\$ <u>848,366</u>	\$ <u>60,102</u>
<b>Flex Spending Fund - Board of Education</b>				
Assets:				
Cash and short-term investments	\$ <u>37,793</u>	\$ <u>104,149</u>	\$ <u>108,095</u>	\$ <u>33,847</u>
Liabilities:				
Due to employees	\$ <u>37,793</u>	\$ <u>104,149</u>	\$ <u>108,095</u>	\$ <u>33,847</u>
<b>Flex Spending Fund - Town</b>				
Assets:				
Cash and short-term investments	\$ <u>-</u>	\$ <u>26,874</u>	\$ <u>12,652</u>	\$ <u>14,222</u>
Liabilities:				
Due to employees	\$ <u>-</u>	\$ <u>21,874</u>	\$ <u>12,652</u>	\$ <u>9,222</u>
Due to other funds	<u>-</u>	<u>5,000</u>		<u>5,000</u>
Total Liabilities	\$ <u>-</u>	\$ <u>26,874</u>	\$ <u>12,652</u>	\$ <u>14,222</u>
<b>Total</b>				
Assets:				
Cash and short-term investments	\$ <u>1,179,829</u>	\$ <u>3,446,985</u>	\$ <u>3,405,580</u>	\$ <u>1,221,234</u>
Liabilities:				
Due to student groups and others	\$ <u>1,167,156</u>	\$ <u>3,432,025</u>	\$ <u>3,405,580</u>	\$ <u>1,193,601</u>
Due to other funds	<u>12,673</u>	<u>14,960</u>		<u>27,633</u>
Total Liabilities	\$ <u>1,179,829</u>	\$ <u>3,446,985</u>	\$ <u>3,405,580</u>	\$ <u>1,221,234</u>



## **Other Schedules**

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Balance July 1, 2018	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes	Collections	Interest	Liens	Other Fees	Balance June 30, 2019	
			Additions	Deductions								
2017	\$	\$ 87,664,095	\$ 1,180,604	\$ 316,588	\$	\$ 88,528,111	\$ 88,013,699	\$ 129,060	\$ 404	\$ 9,154	\$ 514,412	
2016		522,231	15,335	31,717	60,923	444,926	287,864	60,186	840	807	157,062	
2015		199,765	18,743	9,908	628	207,972	129,780	49,379	408	2,596	78,192	
2014		68,573	4,553	1,165	196	71,765	35,537	16,014	192	686	36,228	
2013		56,786	1,672			58,458	24,544	18,997	72	410	33,914	
2012		45,314	544			45,858	12,821	9,459	72	201	33,037	
2011		22,376	924	197		23,103	727	4,275		234	22,376	
2010		12,672	305			12,977	3,205	4,267	24	37	9,772	
2009		12,360	311			12,671	2,997	568	24	140	9,674	
2008		7,463	249			7,712	249	435		106	7,463	
2007		6,837	973			7,810	973	2,722		345	6,837	
2006		5,012	523			5,535	689	1,593	24	261	4,846	
2005		4,450	408			4,858	570	1,464	24	207	4,288	
2004		174	58			232	217	656	24	35	15	
2003		167				167	153	398	24		14	
	\$	964,180	\$ 87,664,095	\$ 1,225,202	\$ 359,575	\$ 61,747	\$ 89,432,155	\$ 88,514,025	\$ 299,473	\$ 2,132	\$ 15,219	\$ 918,130

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN SEWER USER CHARGES RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>Grand List Year</b>	<b>Balance July 1, 2018</b>	<b>Current Year Charges</b>	<b>Adjustments</b>	<b>Collections</b>	<b>Balance June 30, 2019</b>
2018	\$	\$ 2,627,735	\$ (14,389)	\$ 2,592,669	\$ 20,677
2017	11,628			9,218	2,410
2016	3,004			1,856	1,148
2015	864			529	335
2014					-
2013					-
2012					-
2011					-
2010					-
2009					-
2008					-
2007					-
2006					-
2005					-
2004					-
Totals	\$ <u>15,496</u>	\$ <u>2,627,735</u>	\$ <u>(14,389)</u>	\$ <u>2,604,272</u>	\$ <u>24,570</u>

**TOWN OF SIMSBURY, CONNECTICUT**  
**SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<b>Phases</b>	<b>Balance July 1, 2018</b>	<b>Adjustments</b>	<b>Principal</b>	<b>Interest</b>	<b>Lien Fees</b>	<b>Refunds</b>	<b>Balance June 30, 2019</b>
II	\$ 24,073	\$	\$	\$	\$	\$	\$ 24,073
III	12,833		8,671	297	24		4,162
V	3,323						3,323
VI	2,938						2,938
IX	24,852						24,852
X	27,499		6,346	222	72		21,153
XI	39,068		2,316	254			36,752
XII	215,652		35,942	3,601			179,710
XIV	56,602	(9,961)	15,107	947	24	146	31,680
XV	461,125		60,120	7,378			401,005
XVI		66,238	5,504				60,734
	<u>\$ 867,965</u>	<u>\$ 56,277</u>	<u>\$ 134,006</u>	<u>\$ 12,699</u>	<u>\$ 120</u>	<u>\$ 146</u>	<u>\$ 790,382</u>



**TOWN OF SIMSBURY, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2019**

Revenue from taxation for the year ended June 30, 2018:

Taxes	\$ 87,206,760
Interest and lien fees	<u>381,653</u>
Base	<u>\$ 87,588,413</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
Debt limitation:				
2-1/4 times base	\$ 197,073,929	\$	\$	\$
4-1/2 times base		394,147,859		
3-3/4 times base			328,456,549	
3-1/4 times base				284,662,342
Total debt limitation	<u>197,073,929</u>	<u>394,147,859</u>	<u>328,456,549</u>	<u>284,662,342</u>
Indebtedness:				
Bonds and loans payable	19,719,984	5,874,161	9,614,932	
Bonds authorized and unissued	<u>1,993,491</u>	<u>28,658,677</u>		
Total indebtedness	<u>21,713,475</u>	<u>34,532,838</u>	<u>9,614,932</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 175,360,454</u>	<u>\$ 359,615,021</u>	<u>\$ 318,841,617</u>	<u>\$ 284,662,342</u>
Total capacity of borrowing (7 times base)		\$ 613,118,891		
Total present indebtedness		<u>65,861,245</u>		
Margin for Additional Borrowing		<u>\$ 547,257,646</u>		



# Statistical Section

# Statistical Section

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

<b>Contents</b>	<b>Page</b>
Financial Trends	110-113
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity	114-116
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes	
Debt Capacity	117-119
These schedules present information to help the reader assess the afford- ability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	120-121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	122-124
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

TABLE 1

**TOWN OF SIMSBURY, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net investment in capital assets	\$ 83,683,437	\$ 85,759,693	\$ 93,769,918	\$ 93,069,141	\$ 97,320,295	\$ 100,313,724	\$ 103,429,189	\$ 98,938,703	\$ 104,065,426	\$ 97,592,854
Unrestricted	<u>22,700,437</u>	<u>24,577,560</u>	<u>28,322,298</u>	<u>36,628,027</u>	<u>21,526,646</u> *	<u>20,323,545</u>	<u>19,400,044</u>	<u>8,236,636</u> **	<u>6,760,932</u>	<u>12,273,505</u>
Total Governmental Activities Net Position	<u>\$ 106,383,874</u>	<u>\$ 110,337,253</u>	<u>\$ 122,092,216</u>	<u>\$ 129,697,168</u>	<u>\$ 118,846,941</u>	<u>\$ 120,637,269</u>	<u>\$ 122,829,233</u>	<u>\$ 107,175,339</u>	<u>\$ 110,826,358</u>	<u>\$ 109,866,359</u>

\* Restated for GASB 68

\*\* Restated for GASB 75

**TOWN OF SIMSBURY, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General government	\$ 2,842,450	\$ 2,497,684	\$ 6,305,823	\$ 2,343,479	\$ 2,205,896	\$ 1,977,419	\$ 2,786,959	\$ 2,851,855	\$ 2,634,618	\$ 2,802,078
Planning and development	1,552,148	1,793,475	1,079,098	960,662	596,042	1,173,028	617,505	1,363,689	1,660,834	1,014,484
Public safety	6,191,312	6,339,007	5,891,335	5,492,049	5,007,354	5,887,147	5,437,865	5,458,475	5,559,388	6,058,746
Facility management	8,254,369	8,687,612	8,719,270	8,934,586	8,266,613	9,017,445	10,847,069	13,455,187	8,530,110	9,385,514
Culture and recreation	5,163,162	8,306,430	5,309,507	5,203,432	5,137,622	5,150,210	5,204,380	5,696,882	5,862,399	6,099,059
Health and welfare	887,619	857,664	846,075	864,456	868,466	919,341	915,881	899,974	909,646	965,885
Board of Education	72,654,089	71,194,609	76,276,064	77,356,625	84,666,310	83,402,825	84,996,362	92,918,242	95,466,144	92,106,333
Debit service interest	1,525,754	1,514,343	1,212,643	1,199,014	1,019,312	797,900	645,311	854,362	553,117	761,825
Total Governmental Activities Expenses	<u>99,070,903</u>	<u>101,190,824</u>	<u>105,639,815</u>	<u>102,354,303</u>	<u>107,767,615</u>	<u>108,325,315</u>	<u>111,451,332</u>	<u>123,498,666</u>	<u>121,176,256</u>	<u>119,193,924</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	809,490	958,295	805,502	799,556	760,330	762,490	882,767	904,172	861,158	803,803
Planning and development	421,092	131,545	171,782	146,655	169,606	19,617	739,107	2,202	20	40
Public safety	366,510	321,284	279,202	278,247	311,044	254,006	276,530	312,583	287,766	454,809
Facility management	3,317,857	2,938,812	3,091,335	3,427,181	3,452,650	3,369,838	4,096,938	3,557,914	4,450,358	4,047,484
Culture and recreation	2,062,964	1,783,573	1,771,554	1,710,717	1,748,704	1,797,383	1,907,459	1,733,275	1,694,672	1,498,999
Health and welfare	172,778	16,366	19,691	14,335	8,675	2,320	2,876	1,464	365	1,875
Board of Education	1,536,343	1,558,283	1,477,515	1,263,693	1,139,274	1,160,212	869,848	878,295	979,761	967,066
Operating grants and contributions:										
General government	300,352	21,500	120,009	1,075,530	334,574	215,448	213,374	1,023,774	586,655	329,563
Planning and development	79,055		2,116,232	282,497	110,020	135,176	361,630	898,406	1,083,664	1,308,617
Public safety	128,765	98,309	29,856	31,083	12,173	34,435	29,229	54,129	5,593	19,263
Facility management	694,959	769,341	3,016,919	262,172	193,969	226,135	212,271	250,021	176,232	76,078
Culture and recreation		47,358	189,748	74,989	624,762	135,523	108,773	178,219	138,070	43,307
Health and welfare	50,367	229,442	189,658	248,981	237,750	209,240	236,228	204,394	192,154	390,954
Board of Education	14,331,851	14,171,150	15,801,559	16,125,579	17,681,269	15,783,990	17,177,726	22,786,889	24,230,927	15,991,807
Capital grants and contributions:										
General government	287,080									
Planning and development	1,027,750							350,000	30,495	
Facility management	414,127		341,709	499,380	541,351	888,334	767,121	383,902	751,231	510,734
Culture and recreation	280,797	330,514		691,666						
Health and welfare	40,000	1,024,843								
Board of Education	626,844		958,286	451,140		64,872	17,128	72,604		83,082
Total Governmental Activities Revenues	<u>26,948,981</u>	<u>24,400,615</u>	<u>30,380,557</u>	<u>27,383,401</u>	<u>27,326,151</u>	<u>25,059,019</u>	<u>27,899,005</u>	<u>33,592,243</u>	<u>35,469,121</u>	<u>26,527,481</u>
Total Governmental Activities Net Expense	<u>(72,121,922)</u>	<u>(76,790,209)</u>	<u>(75,259,258)</u>	<u>(74,970,902)</u>	<u>(80,441,464)</u>	<u>(83,266,296)</u>	<u>(83,552,327)</u>	<u>(89,906,423)</u>	<u>(85,707,135)</u>	<u>(92,666,443)</u>
General Revenues and Other:										
Changes in Net Position:										
Governmental activities:										
Property taxes	78,380,041	79,637,302	80,468,335	81,741,250	83,574,205	84,031,217	84,703,120	85,768,365	87,415,877	88,730,412
Grants and contributions not restricted to specific programs	396,805	491,076	332,042	315,020	333,164	307,788	197,363	195,890	187,541	116,910
Unrestricted investment earnings	144,248	215,881	120,712	54,591	71,233	(22,010)	336,375	120,444	387,674	794,773
Other general revenues, net		399,329	409,960	464,993	957,675	739,629	507,433	852,587	1,033,041	2,064,349
Total Primary Government	<u>78,921,094</u>	<u>80,743,588</u>	<u>81,331,049</u>	<u>82,575,854</u>	<u>84,936,277</u>	<u>85,056,624</u>	<u>85,744,291</u>	<u>86,937,286</u>	<u>89,024,133</u>	<u>91,706,444</u>
Change in Net Position:										
Total Governmental Activities	<u>\$ 6,799,172</u>	<u>\$ 3,953,379</u>	<u>\$ 6,071,791</u>	<u>\$ 7,604,952</u>	<u>\$ 4,494,813</u>	<u>\$ 1,790,328</u>	<u>\$ 2,191,964</u>	<u>\$ (2,969,137)</u>	<u>\$ 3,316,998</u>	<u>\$ (959,999)</u>

TABLE 3

**TOWN OF SIMSBURY, CONNECTICUT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Nonspendable	\$	\$	\$	\$ 19,665	\$	\$	\$	\$ 14,663	\$ 61,835	\$ 35,789
Restricted	161,737	3,765	121,950	365,516	2,368					
Committed	290,000	324,311	267,341	400,120		639,000	427,598	385,000	385,000	385,000
Assigned	120,965	351,346	510,907	374,590	21,309	183,461	1,787,133	1,542,894	1,967,056	228,239
Unassigned	8,679,564	9,577,204	9,696,310	10,840,687	11,611,521	11,870,091	11,247,572	12,272,378	14,380,222	16,460,519
Total General Fund	<u>\$ 9,252,266</u>	<u>\$ 10,256,626</u>	<u>\$ 10,596,508</u>	<u>\$ 12,000,578</u>	<u>\$ 11,635,198</u>	<u>\$ 12,692,552</u>	<u>\$ 13,462,303</u>	<u>\$ 14,214,935</u>	<u>\$ 16,794,113</u>	<u>\$ 17,109,547</u>
All other governmental funds:										
Nonspendable	\$ 42,047	\$ 34,420	\$ 39,195	\$ 55,708	\$ 37,169	\$ 26,056	\$ 30,304	\$ 26,621	\$ 28,854	\$ 127,426
Restricted	998,223	1,009,517	1,256,034	1,387,975	1,724,023	1,454,961	1,599,957	1,341,471	1,181,529	1,478,410
Committed		2,234,192	8,012,674	11,181,861	10,317,052	12,701,558	10,145,328	14,923,557	9,505,284	16,603,434
Assigned	10,238,407	11,328,104	5,329,235							
Unassigned			(5,539,929)	(255,602)			(705,063)		(656,795)	(194,371)
Total All Other Governmental Funds	<u>\$ 11,278,677</u>	<u>\$ 14,606,233</u>	<u>\$ 9,097,209</u>	<u>\$ 12,369,942</u>	<u>\$ 12,078,244</u>	<u>\$ 14,182,575</u>	<u>\$ 11,070,526</u>	<u>\$ 16,291,649</u>	<u>\$ 10,058,872</u>	<u>\$ 18,014,899</u>

TABLE 4

**TOWN OF SIMSBURY, CONNECTICUT  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Property taxes	\$ 78,212,280	\$ 79,548,406	\$ 80,548,378	\$ 81,850,788	\$ 83,460,141	\$ 83,958,850	\$ 84,535,118	\$ 85,638,921	\$ 87,613,101	\$ 88,687,364
Intergovernmental	18,417,973	15,798,207	23,037,449	19,910,015	19,289,241	17,879,660	19,293,730	26,100,771	27,218,096	19,214,201
Investment income (loss)	119,737	215,881	120,712	54,591	71,233	(22,010)	333,675	119,016	387,438	794,773
Charges for goods and services	4,458,581	4,345,779	4,165,901	3,970,212	3,826,011	3,766,179	3,738,193	3,637,248	3,641,451	3,518,601
Licenses and permits	425,563	279,740	527,210	546,348	708,824	675,091	1,175,709	459,719	1,233,813	1,310,154
Rental of town-owned property	4,161	2,748	595	163,356	171,087	151,472	137,767	132,302	144,562	156,406
Local revenues	355,767	447,574	409,679	103,093	577,789	69,800	78,642	238,217	285,858	54,796
Assessments	2,606,135	2,588,450	2,541,036	2,857,375	2,737,195	2,688,513	2,908,891	3,128,191	3,194,543	2,734,119
Other	803,687	759,832	739,684	918,044	1,577,753	1,173,651	859,538	1,277,022	1,308,689	2,064,349
Total revenues	105,403,884	103,986,617	112,090,644	110,373,822	112,419,274	110,341,206	113,061,263	120,731,407	125,027,551	118,534,763
Expenditures:										
Current:										
General government	2,003,567	1,913,540	5,674,412	1,964,048	2,199,199	2,205,494	2,245,328	2,210,896	2,285,031	2,223,957
Planning and development	1,213,872	807,450	3,177,802	844,237	704,150	491,362	551,342	1,276,962	803,785	947,587
Public safety	4,162,967	4,156,758	4,208,408	4,426,304	4,440,427	4,366,285	4,558,452	4,735,609	4,872,353	5,120,078
Facility management	5,543,118	5,893,233	5,975,632	5,671,060	5,862,713	5,727,133	5,690,540	5,855,240	6,124,464	6,252,699
Culture and recreation	3,959,615	4,177,239	4,165,021	4,047,226	4,263,907	4,091,607	4,210,600	4,330,256	4,383,763	4,536,453
Health and welfare	756,353	721,978	702,936	727,795	786,278	858,548	818,821	809,168	829,040	871,091
Fringe benefits and insurance	4,351,456	4,675,137	4,372,802	4,675,479	4,833,766	5,080,534	4,602,175	4,871,466	5,101,590	5,412,531
Education	71,467,509	71,649,955	73,986,774	75,661,224	78,987,017	76,446,257	78,891,667	85,375,951	88,463,108	81,312,898
Special projects	15,000									
Capital outlay	6,835,862	3,375,755	7,701,678	6,180,583	3,440,988	6,725,454	6,925,221	10,500,504	9,283,800	6,362,324
Debit service:										
Principal	5,709,008	5,753,087	5,871,345	5,879,971	6,453,974	6,533,165	6,043,138	6,178,314	5,173,903	4,435,003
Interest	1,678,746	1,573,248	1,508,161	1,257,711	1,103,933	947,530	866,277	864,972	980,049	1,003,459
Total expenditures	107,697,073	104,697,380	117,344,971	111,335,638	113,076,352	113,473,369	115,403,561	127,009,338	128,300,886	118,478,080
Excess (Deficiency) of Revenues over Expenditures	(2,293,189)	(710,763)	(5,254,327)	(961,816)	(657,078)	(3,132,163)	(2,342,298)	(6,277,931)	(3,273,335)	56,683
Other Financing Sources:										
Proceeds from capital lease										
Proceeds from sales of bonds	4,869,506	5,000,000	5,191,969	5,638,019		9,768,488		12,251,686		9,614,778
Payments to escrow agents			(5,106,184)			(3,474,640)				
Proceeds from loans		42,679								
Transfers Out										(1,400,000)
Total other financing sources	4,869,506	5,042,679	85,785	5,638,019	-	6,293,848	-	12,251,686	-	8,214,778
Net Change in Fund Balances	2,576,317	4,331,916	(5,168,542)	4,676,203	(657,078)	3,161,685	(2,342,298)	5,973,755	(3,273,335)	8,271,461
Fund Balance at Beginning of Year	17,954,626	20,530,943	24,862,859	19,694,317	24,370,520	23,713,442	26,875,127	24,152,565 *	30,126,320	26,852,985
Fund Balance at End of Year	\$ 20,530,943	\$ 24,862,859	\$ 19,694,317	\$ 24,370,520	\$ 23,713,442	\$ 26,875,127	\$ 24,532,829	\$ 30,126,320	\$ 26,852,985	\$ 35,124,446
Debt Service as a Percentage to Noncapital Expenditures	7.32%	7.26%	6.50%	6.63%	6.92%	6.91%	6.91%	5.79%	5.15%	4.74%

\*Restated

TABLE 5

**TOWN OF SIMSBURY, CONNECTICUT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(in Thousands of Dollars)

Fiscal Year	Real Property		All Land	Motor Vehicles	Personal Property	Tax Exempt Real Property Excluded	Total Taxable Assessed Value	Mill Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
2010	\$ 1,999,922	\$ 296,264	\$ 24,478	\$ 165,121	\$ 111,801	\$ 280,231	\$ 2,597,586	30.10	\$ 3,674,499	70.7 %
2011	2,006,469	298,680	23,539	166,125	104,650	286,585	2,599,462	30.55	3,717,024	69.9
2012	2,009,423	300,156	21,457	171,793	96,697	298,661	2,599,526	30.86	3,617,413	71.9
2013	2,012,384	301,240	21,030	182,668	82,147	289,240	2,599,468	31.37	3,505,330	74.2
2014	1,697,766	260,396	17,465	179,800	79,240	301,195	2,234,667	37.29	3,481,281	64.2
2015	1,708,581	259,276	16,637	179,800	79,240	304,761	2,251,625	37.14	3,577,008	62.9
2016	1,714,665	258,610	15,617	184,456	95,823	300,668	2,268,971	37.00	3,586,050	63.3
2017	1,731,800	253,823	24,984	184,785	97,023	324,211	2,292,415	37.12	3,600,147	63.7
2018	1,749,693	224,283	29,170	190,931	83,777	331,443	2,277,854	38.76	3,670,051	62.1
2019	1,866,812	237,843	33,023	192,264	86,054	352,670	2,415,996	36.42	3,451,702	70.0

Source: Town of Simsbury Assessor and State of Connecticut, Office of Policy and Management.

Note: The estimated actual taxable value is the Equalized Net Grand List as determined by the State of Connecticut, Office of Policy and Management. Properties in town are reassessed every five years per state statute. The last completed revaluation was for the fiscal year ended June 30, 2019. For the fiscal year ended 2019, the estimated actual taxable value is the sum of the real estate assessments divided 70%, plus the motor vehicle and personal property assessments divided by 70%.

Last revaluation was completed 10/1/2017



TABLE 6

**TOWN OF SIMSBURY, CONNECTICUT  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Net Taxable Assessed Grand List
Connecticut Light & Power	\$ 32,465,990	1	1.34%	\$ 15,127,200	6	0.58%
E and A/I and I and G Commons LP	27,737,740	2	1.15%	33,740,000	1	1.30%
Dorset Crossing Apartments LLC	19,524,220	3	0.81%			
Highcroft Simsbury LLC	16,772,600	4	0.69%			
Executive Risk Indemnity Inc.	16,473,460	4	0.68%	21,036,020	4	0.81%
BW Mill Commons LLC	13,367,640	6	0.55%			
Simsbury Developers LLC	11,326,130	7	0.47%			
Hoffman Enterprises Limited Partnership	11,075,330	8	0.46%		7	0.00%
SL Simsbury LLC	10,202,460	9	0.42%			
Simsbury Commons North E&A LLC	8,995,000	10	0.37%	9,625,000	9	0.37%
Woodgreen Simsbury LLC				10,372,640	7	0.40%
Simsbury Hopmeadow Street LLC				16,311,710	5	0.63%
Simsbury Assoc. Limited Partnership				29,865,500	2	1.15%
Hartford Life and Accident Ins. Company				28,599,770	3	1.10%
Hoffman Phyllis W Trustee of Hoffman				9,784,490	8	0.38%
McLean George P Estate				8,271,820	10	0.32%
	<u>\$ 167,940,570</u>		<u>6.95%</u>	<u>\$ 182,734,150</u>		<u>7.03%</u>

Source: Town Assessor's office

TABLE 7

**TOWN OF SIMSBURY, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(In Thousands)

Fiscal Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date			
	Amount	Percentage of Levy	Amount	Percentage of Levy					
2010	\$	78,145	\$	77,567	\$	577	\$	78,144	100.00 %
2011		79,341		78,850		470		79,319	99.97
2012		80,215		79,748		432		80,180	99.96
2013		81,566		81,090		439		81,529	99.95
2014		83,294		82,961		297		83,257	99.96
2015		83,747		83,403		265		83,668	99.91
2016		84,404		83,955		290		84,245	99.81
2017		85,482		85,008		427		85,435	99.95
2018		87,250		86,728		262		86,990	99.70
2019		88,528		88,014				87,997	99.40

Source: Town Tax Collector office and Finance office

TABLE 8

**TOWN OF SIMSBURY, CONNECTICUT  
RATIO OF NET GENERAL BONDED DEBT TO  
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt				Percentage of Actual Taxable Value of Property (1)	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds		Clean	Total			
	General Purpose	Schools	Water Fund Loan	Primary Government			
2010	\$ 11,792,263	\$ 21,975,000	\$ 18,445,218	\$ 52,212,481	1.42%	1.32%	2.25
2011	14,349,499	19,550,000	17,540,653	51,440,152	1.40%	1.30%	2.22
2012	12,168,024	16,815,000	16,617,830	45,600,854	1.23%	1.15%	1.95
2013	14,833,377	14,795,000	15,676,381	45,304,758	1.25%	1.14%	1.93
2014	12,448,221	11,800,279	14,715,929	38,964,429	1.11%	0.90%	1.66
2015	17,271,364	8,722,936	13,736,091	39,730,391	1.11%	0.90%	1.65
2016	13,807,003	5,888,215	12,736,475	32,431,693	0.88%	0.58%	1.30
2017	19,798,083	6,707,171	11,716,683	38,221,937	0.88%	0.58%	1.30
2018	17,382,173	4,756,389	10,676,307	32,814,869	0.89%	0.61%	1.32
2019	22,010,816	6,162,632	9,614,932	37,788,380	1.05%	0.64%	1.46

(1) See Table 5 for taxable property value data.

(2) See Table 11 for personal income and population data.

TABLE 9

**TOWN OF SIMSBURY, CONNECTICUT  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Town of Simsbury General Fund</b>			<b>Simsbury Fire District</b>	<b>Total</b>
	<b>Operating Millage</b>	<b>Debt Service Millage *</b>	<b>Total Town Millage</b>	<b>Millage **</b>	
2010	27.96	2.14	30.10	1.05	31.15
2011	28.22	2.33	30.55	1.03	31.58
2012	28.54	2.32	30.86	1.02	31.88
2013	29.21	2.16	31.37	1.03	32.40
2014	34.69	2.60	37.29	1.22	38.51
2015	34.62	2.52	37.14	1.19	38.33
2016	34.89	2.23	37.12	1.19	38.31
2017	34.52	2.60	37.12	1.23	38.35
2018	36.35	2.41	38.76	1.23	39.99
2019	34.80	1.62	36.42	1.17	37.59

\* Debt service millage based on debt expenditures to total appropriations.

\*\* The Simsbury Fire District has no debt

TABLE 10

**TOWN OF SIMSBURY, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 543,238,654	\$ 550,545,555	\$ 560,196,175	\$ 564,044,593	\$ 573,743,814	\$ 585,105,962	\$ 587,668,774	\$ 592,572,134	\$ 599,644,318	\$ 613,118,891
Total net debt applicable to limit	65,228,306	51,560,382	56,811,356	48,887,461	47,507,359	40,378,199	40,073,073	46,245,721	44,185,079	65,861,245
Legal Debt Margin	<u>\$ 478,010,348</u>	<u>\$ 498,985,173</u>	<u>\$ 503,384,819</u>	<u>\$ 515,157,132</u>	<u>\$ 526,236,455</u>	<u>\$ 544,727,763</u>	<u>\$ 547,595,701</u>	<u>\$ 546,326,413</u>	<u>\$ 555,459,239</u>	<u>\$ 547,257,646</u>
Total net debt applicable to the limit as a percentage of debt limit	12.01%	9.37%	10.14%	8.67%	8.28%	6.90%	6.82%	7.80%	7.37%	10.74%

**Note:** The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2019 debt limit can be found on Schedule 4 of this report.

**TOWN OF SIMSBURY, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Education Level in Years of Schooling (1)							Unemployment Rate (3)
		Personal Income (Thousands of Dollars) (1)	Per Capita Personal Income (1)	Median Age (1)	Percentage of		School Enrollment (2)		
					High School Graduate or Higher	Bachelor's Degree or Higher			
2010	23,234	\$ 922,622	\$ 39,710	39.6	94.5	61.4	4,838	6.2 %	
2011	23,234	922,622	39,710	39.6	94.5	61.4	4,731	6.1	
2012	23,438	930,723	39,710	41.0	96.9	60.0	4,657	6.6	
2013	23,498	933,106	39,710	41.0	96.9	60.0	4,501	5.4	
2014	23,535	1,018,570	43,279	43.3	95.7	62.7	4,330	4.8	
2015	23,535	1,018,571	43,279	43.0	96.9	60.0	4,254	3.2	
2016	24,348	1,328,013	54,543	43.8	97.5	65.3	4,133	3.6	
2017	23,844	1,271,577	53,329	44.3	97.5	65.0	4,110	3.2	
2018	24,952	1,351,825	54,177	44.8	97.1	64.7	4,039	2.8	
2019	24,979	1,414,361	56,622	44.7	97.0	67.0	4,018	2.4	

Sources: Population, personal income, median age and education level provided by Town of Simsbury

(1) U. S. Census Bureau, American Community Survey (ACS), 5-Year Estimates.

(2) Simsbury, Board of Education.

(3) State of Connecticut, Department of Labor.

TABLE 12

**TOWN OF SIMSBURY, CONNECTICUT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2019			2010		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Simsbury Board of Education	642	1	2.57 %	655	2	5.55 %
McLean Home Care	500-999	2	2.00-4.00	463	3	3.92
Ensign-Bickford Companies	500-999	3	2.00-4.00	232	5	1.96
Wings Media Group	500-999	4	2.00-4.00			
Everest Global Svc	500-999	5	2.00-4.00			
Chubb	250-499	6	1.00-2.00	400	4	3.39
Keller Williams Realty	250-499	7	1.00-2.00			
Hoffman Auto Group	250-499	8	1.00-2.00	144	8	1.22
The Hartford Life Insurance Co				3,000	1	25.41
Super Stop & Shop				170	6	1.44
Town of Simsbury				146	7	1.24
Michell of Simsbury				101	9	0.86
Hopmeadow Country Club				100	10	0.85
	<u>3392-6142</u>		<u>13.57-24.57 %</u>	<u>5,411</u>		<u>45.84 %</u>

Source: 2019 data: Connecticut Department of Labor and Connecticut Economic Resources Center, Inc.  
Only 1-8 available, next category is employers with 100-249 employees, and there are a total of 20  
in this category

2010 data: FY2009/10 Audit Report

TABLE 13

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Central administration	4.0	5.0	5.0	5.5	5.5	5.5	4.0	4.0	5.0	5.0
Finance	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Tax collector	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor's	3.0	3.0	3.0	3.0	3.0	2.5	2.0	2.0	3.0	3.0
Town clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Data Processing	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Public safety:										
Officers	39.0	38.0	38.0	38.0	36.0	36.0	36.0	35.0	35.0	35.0
Civilians	13.4	11.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Planning and development:										
Community development	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building	3.5	3.5	2.5	2.5	2.5	2.5	2.0	2.0	2.0	2.0
Engineering	2.8	2.8	2.8	1.8	1.5	1.5	1.0	1.0	2.0	2.0
Facilities management:										
Public works	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Buildings & maintenance	7.3	7.3	7.3	7.3	7.3	7.3	6.0	6.0	6.0	6.0
Highway	20.0	20.0	20.0	20.0	19.0	19.0	19.0	18.0	19.0	19.0
Sewer treatment plant	10.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0
Social services	5.7	4.5	4.5	3.5	3.5	3.5	3.0	3.0	4.0	4.0
Public libraries***	23.1	17.8	17.8	17.8	17.8	17.3	13.0	13.0	14.0	14.0
Parks and recreation	19.0	17.0	17.0	17.0	17.0	17.0	15.0	15.0	17.0	17.0
Board of Education:										
Certified	387.4	387.8	391.6	390.2	390.9	400.7	401.0	405.0	399.0	408.0
Non-certified	254.6	253.6	262.3	259.5	252.2	247.8	248.0	249.0	271.0	247.0
Total	<u>809.6</u>	<u>799.3</u>	<u>809.8</u>	<u>804.1</u>	<u>793.2</u>	<u>797.6</u>	<u>788.0</u>	<u>791.0</u>	<u>814.0</u>	<u>799.0</u>

Source: Town of Simsbury and Simsbury Board of Education



TABLE 14

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>General Government</u>										
Birth certificates issued	213	202	181	202	164	171	162	172	159	180
Death certificates issued	208	208	185	168	215	196	195	196	230	207
Marriage licenses issued	276	257	269	241	303	281	305	274	265	259
<u>Boards and Agencies</u>										
Registered voters	18,065	17,557	16,404	16,103	15,773	15,859	15,997	16,411	16,899	16,236
<u>Planning and Development</u>										
Building permits issued	790	784	719	877	861	676	681	766	573	575
Building department fees	1,219,155	1,168,936	369,966	1,121,573	606,216	651,959	497,889	485,902	247,760	394,080
Value of building permits (in thousand of dollars)	92,540	64,174	24,055	64,448	42,281	35,637	31,908	34,851	15,193	15,415
<u>Public Safety</u>										
Part I crimes	152	147	173	147	151	169	189	188	136	151
Motor vehicle accidents	562	548	622	584	615	651	510	625	723	661
Medical calls	1,628	1,708	1,659	1,669	1,559	1,544	1,430	1,444	1,370	1,300
Motor vehicle enforcement	3,996	3,367	3,767	3,985	3,757	2,980	3,167	3,940	4,394	4,740
Alarm responses	820	870	801	915	865	789	810	879	840	837
Total incidents	43,733	35,148	37,122	33,912	32,183	31,256	36,171	33,311	29,890	28,139
<u>Facility Management</u>										
Miles of roads maintained	165	164	164	164	164	164	164	164	163	163
<u>Public Libraries</u>										
Volumes in collection	123,064	131,738	136,436	150,553	152,567	147,540	153,179	152,592	154,307	145,078
Items circulated	427,340	363,437	376,364	389,691	396,836	426,575	461,477	477,650	479,791	462,232
Attendance	370,384	372,334	381,907	375,523	361,357	314,928	254,745	249,750	256,060	268,100
Events	1,860	1,528	1,447	1,631	1,573	1,100	1,010	1,117	1,061	954
<u>Human Services</u>										
Dial-a-ride passengers	8,199	8,105	8,576	9,275	9,704	9,405	9,768	10,525	9,352	7,848
Dial-a-ride traveled miles	57,846	42,851	44,864	46,195	49,066	48,799	50,342	52,537	47,827	43,014
<u>Education</u>										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1

TABLE 15

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

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>Facility Management</u>										
Miles of town roads	165	164	164	164	164	164	164	164	163	163
Miles of sidewalks	8.5	8	8	8	8	8	8	8	8	8
Sanitary sewers (miles)	81	81	81	81	81	81	81	81	81	81
Storm sewers (miles)	55	55	55	55	55	55	55	55	55	55
Treatment capacity (thousands of gallons)	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
<u>Parks and Recreation</u>										
Acreage	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815	5,815
Neighborhood parks	11	11	11	11	11	11	11	11	11	11
Playgrounds (including schools)	12	12	12	12	12	12	12	12	12	12
Swimming pools	6	6	6	6	6	6	6	6	6	6
Ice skating facilities	1	1	1	1	1	1	1	1	1	1
Public golf course	1	1	1	1	1	1	1	1	1	1
Tennis courts	17	17	17	17	17	17	17	17	17	17
Baseball fields	14	14	14	14	14	14	14	14	14	14
Basketball courts	2	2	2	2	2	2	2	2	2	2
Soccer fields	21	21	21	21	21	21	21	21	21	21
Football fields	2	2	2	2	2	2	2	2	2	2
<u>Health and Welfare</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Dial-a-ride buses	2	2	2	2	2	2	2	2	2	2

Source(s): Various Town Departments