

TOWN OF SEYMOUR, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year July 1, 2017 – June 30, 2018

TOWN OF SEYMOUR, CONNECTICUT

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FOR

**THE FISCAL YEAR ENDED
JUNE 30, 2018**

Prepared By:

THE FINANCE DEPARTMENT

DOUGLAS THOMAS, DIRECTOR OF FINANCE

Contents

I. Introductory Section - <i>unaudited</i>	
Letter of transmittal	i-iii
Principal town officials	iv
GFOA certificate of achievement	v
Organization charts – Town of Seymour, operations, community services and code compliance department	vi-ix
II. Financial Section	
Independent Auditor's Report	1-2
Management's Discussion and Analysis - <i>unaudited</i>	3-13
Basic Financial Statements	
<u>Exhibit</u>	
Government-Wide Financial Statements:	
I. Statement of net position	15
II. Statement of activities	16
Fund Financial Statements:	
III. Balance sheet – governmental funds	17-18
IV. Statement of revenues, expenditures and changes in fund balances – governmental funds	19-20
V. Statement of net position (deficit) – proprietary funds	21
VI. Statement of revenues, expenses and changes in fund net position (deficit) – proprietary funds	22
VII. Statement of cash flows – proprietary funds	23
VIII. Statement of fiduciary net position – fiduciary funds	24
IX. Statement of changes in fiduciary net position – fiduciary funds	25
Notes to financial statements	26-60
Required Supplementary Information - <i>unaudited</i>	
RSI-1 Statement of revenues, expenditures and changes in fund balance – budgetary basis – budget and actual – general fund	61
RSI-2 Schedule of contributions – MERS	62
RSI-3 Schedule of the Town's proportionate share of the net pension liability – MERS	63
RSI-4 Schedule of the Town's proportionate share of the net pension liability – Teachers' Retirement System	64
RSI-5 Schedule of changes in the Town's total OPEB liability and related ratios	65
RSI-6 Schedule of the Town's proportionate share of the net OPEB liability – teachers retiree health plan	66
RSI-7 Note to required supplementary information	67-68

Contents

Combining and Individual Fund Financial Statements and Other Schedules

General Fund

Table

A-1	Schedule of revenues and other financing sources – budget and actual – budgetary basis – general fund	69-70
A-2	Schedule of expenditures and other financing uses – budget and actual – budgetary basis – general fund	71-72

Nonmajor Governmental Funds

B-1	Combining balance sheet – nonmajor governmental funds	74-78
B-2	Combining statement of revenues, expenditures and changes in fund balances (deficits) – nonmajor governmental funds	80-84

Fiduciary Funds

C-1	Combining statement of net position – private purpose trust funds	85
C-2	Combining statement of changes in net position – private purpose trust funds	86
C-3	Statement of changes in fiduciary assets and liabilities – agency funds	87

Other Schedules

D-1	Report of tax collector	90-91
-----	-------------------------	-------

III. Statistical Section - *unaudited*

Table

Financial Trends:

1	Net position by component	94-95
2	Changes in net position	96-99
3	Fund balances (deficits), governmental funds	100-101
4	Changes in fund balances, governmental funds	102-103

Contents

III. Statistical Section - *unaudited* (Continued)

Table

Revenue Capacity:

5	Tax revenues by source, governmental funds	104
6	Assessed value and estimated actual value of taxable property	106-107
7	Principal property taxpayers	108
8	Property tax levies and collections	110-111

Debt Capacity:

9	Ratios of outstanding debt by type	112
10	Ratios of general bonded debt outstanding	113
11	Direct governmental activities debt	114
12	Legal debt margin information	115-116
13	Computation of legal debt limitation	117

Demographic and Economic Statistics:

14	Demographic and economic statistics	118
15	Principal employers	119

Operating Information:

16	Full-time equivalent town government employees by functions/programs	120-121
17	Operating indicators by function/program	122-123
18	Capital asset statistics by function/program	124-125



February 5, 2019

Kurt Miller, First Selectman
Members of the Board of Selectman
Members of the Board of Finance
Town of Seymour, Connecticut

Connecticut State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2018.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RSM US LLP, Certified Public Accountants, has issued unmodified ("clean") opinions on the Town of Seymour, Connecticut's financial statements for the year ended June 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Town of Seymour

The Town of Seymour was incorporated in 1850, named after Thomas H. Seymour, then Governor of the State of Connecticut. The Town covers an area of 14.7 square miles with the commercial and industrial areas along the Naugatuck River. Seymour is served directly by Connecticut Route 8, a major four-lane, limited-access highway which begins in Bridgeport at the Connecticut Turnpike (I-95) and runs north to Winsted, intersecting with I-84 in Waterbury.

The location of Seymour at the junction of Routes 8, 67, 115 and 313 provides ready access to the regional interstate highway system as well as Connecticut's major employment centers. Conrail provides freight rail service to and through the Town, and the expanded Metro North Commuter Rail Service provides frequent passenger trains to Bridgeport, Stamford and New York City. Regularly scheduled commercial air service, both passenger and freight, is available from Hartford's Bradley International Airport and the New York airports. These facilities are served through airport limousines, air freight, and trucking from Seymour.

The Town is contiguous to Fairfield County and within 20 minutes driving time of New Haven, Waterbury and Bridgeport, three of Connecticut's five largest cities.

Economic

The Town's key business areas include several small shopping centers, options for professional offices, a downtown historic district, and several sites designated for industry.

The Town has collaborated to promote industrial growth. The Town formed and worked closely with the Seymour Downtown Council to revitalize the Town's center. In the last several years, over \$1,000,000 in public and private funds have been spent to make downtown more attractive.

The 1,465-acre Silvermine Industrial Park was developed using a combination of local, state and federal funds and is now occupied by 12 companies, some of which have already expanded from their original size. Hubbell Industrial Park, immediately adjacent to the Silvermine complex, is being developed with private funds. This park contains 13 parcels on more than 66 acres and is close to capacity. Among the many companies located there, Thule/Eldon Group America and Basement Systems Incorporated have completed 25,000-square-foot expansions to their facilities. The Kerite Company, the Town's oldest employer, was acquired by Chicago-based Marmon Group in September 1999. Since that time, Kerite has invested significantly in diversifying its products beyond the traditional dependence upon the utility industrial market segment.

Haynes Construction Company constructed a headquarters on Progress Drive beyond Hubbell Park on a 7.9-acre parcel. The facility was constructed in 1995, and expanded in 2002. Haynes has built a 236-unit complex known as Meadow Brook Estates designed for active 55 and older individuals. The complex straddles the Oxford- Seymour border and has model homes available for tour. Fifty-five of the units are in Seymour.

Larry Janesky's Basement Systems ("Basement Systems") is located on 50 acres of land in the Seymour Industrial Park. Basement Systems has added 14,000 square feet of warehouse and has added 60,000 square feet of office and warehouse space in the past few years.

The Town is within easy commuting distance of large employment centers in Fairfield County, as well as employment found in the New Haven and Waterbury areas.

Form of Government

Under a charter adopted in 1971 and most recently amended in 1994, the Town of Seymour has a Town Meeting form of government with a seven-member Board of Selectmen. The First Selectman serves as the full-time chief executive officer of the Town. The Board of Finance is responsible for proposing annual budgets and special appropriations to the Town Meeting. There are a number of commissions and authorities established under the Charter, including the Economic Development Commission, Planning and Zoning Commission and Water Pollution Control Authority.

Long Term Financial Planning

The Town updates its five year capital plan every year, as part of the annual budget process. The 1st Selectman, with department directors, evaluates the condition of the town's buildings, infrastructure and equipment needs in order to identify and prioritize projects that will require funding outside of the regular operating budget. The updated capital plan is included in the Annual Operating and Capital Budget. Town Officials typically budget in the range of \$300,000 to \$500,000 annually for capital projects.

For the last 2 years road reconstruction and maintenance has been and continues to be a top priority with Town Officials and the general public. Since fiscal year 2014 and most recently in November of 2016, voters have approved by referendum, borrowing for road reconstruction and building maintenance for a total of \$6.5 million. In the last ten years the town has borrowed to build an elementary school and renovated the high school.

Financial Policies

The Town of Seymour has a Financial and accounting policy and procedures manual. The manual is reviewed annually. The Town is in process of creating an investment policy and procedure with the adoption of an OPEB trust.

Budget Issues

For the last three years the Town of Seymour has been able to keep our mil rate stable. Management has worked hard to keep costs down and implement efficiencies where possible. The fiscal year 2018 budget kept the mil rate steady, without the guidance of a state budget. The state supplies 19.6% of general fund revenues through various grants. The state did not pass a budget until October 2017 and cut Town of Seymour revenues 18% or \$1,962,000. Management addressed this issue with a tough spending reduction package. The spending reduction package included; Board of Education cut of \$300,000, Debt refunding and restructuring savings of \$500,000, contingency savings of \$400,000, capital project close out savings of \$200,000, hiring freeze savings of \$180,000 and general fund budget cuts of \$100,000 for a total savings of \$1,680,000. Property tax revenues and other miscellaneous revenues were more than budget by \$382,000, which closed out the state grant reductions. Management anticipates that the State fiscal condition will be an ongoing issue and is looking at all possible options to keep the Town mil rate stable.

The preparation of this report could not have been accomplished without the hard work and dedication of the finance department staff. I would also like to thank RSM US LLP our independent auditors, for their guidance and many helpful comments and suggestions during the preparation of this report. And finally, special acknowledgment and appreciation goes to those who have contributed to the progressive and financially sound operations of the Town; that contribute, belongs to all Town Officials, Town Staff, and the Community.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Douglas Thomas".

Douglas Thomas, CPA
Finance Director

TOWN OF SEYMOUR, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2018

BOARD OF SELECTMEN

W. Kurt Miller, First Selectman
Nicole Klarides-Ditria, Deputy
Annmarie A. Drugonis
Stephan Behuniak
Karen Stanek
Al Bruno
Len Greene Jr.

BOARD OF FINANCE

Bill Sawicki, Chairman
Beverly Kennedy
Zani Imetovski
James Cretella
Heather McDaniel
Aileen Baldwin
John Stelma
Rob Pagliaro (Alt.)
Richard Demko (Alt.)

BOARD OF EDUCATION

Yashu Putorti, Chairman
Edward Strumello
Frederick Stanek
Kristen Harmeling
Allison Sobieski-McAndrew
Jen Magri
James Garofalo
Jay Hatfield
Pete Kubik



Government Finance Officers Association

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

Presented to

**Town of Seymour
Connecticut**

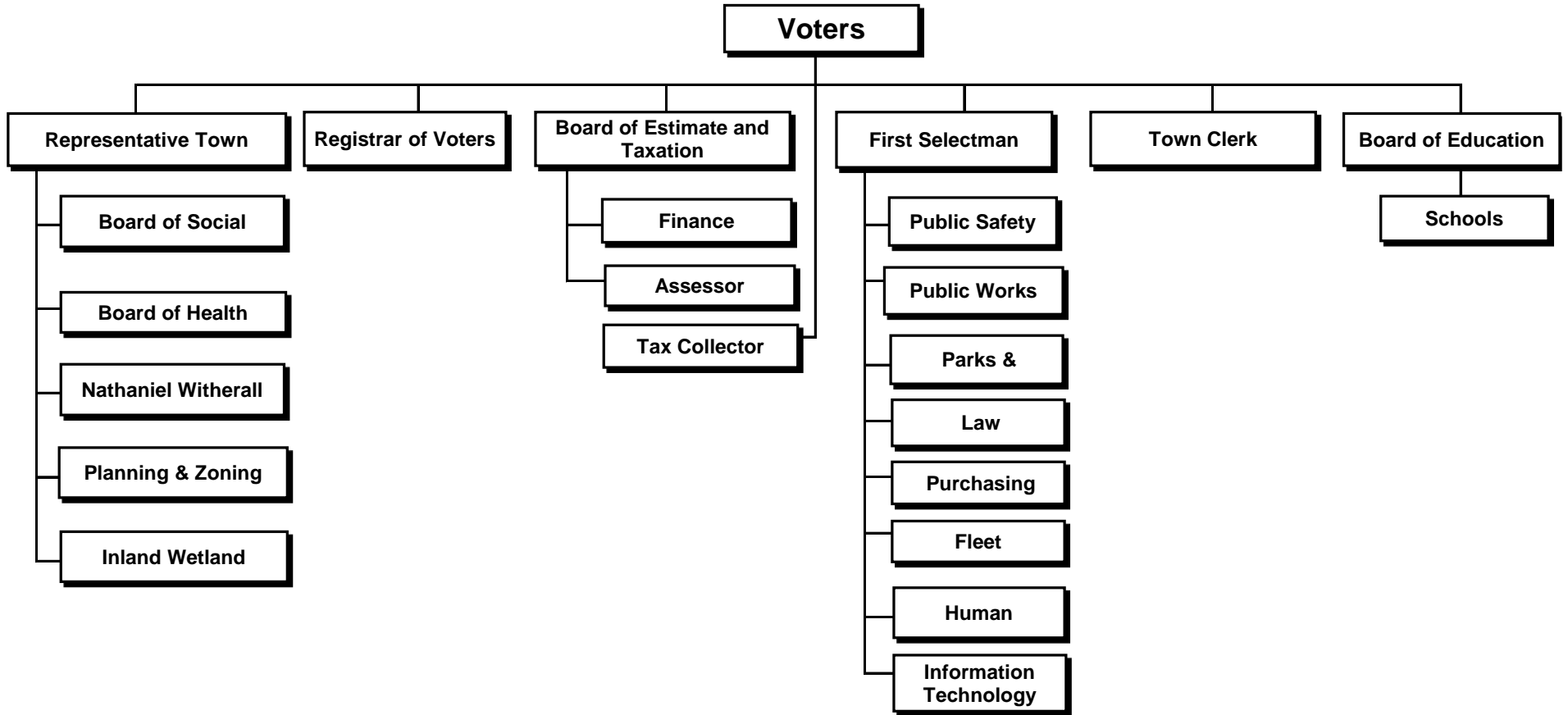
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

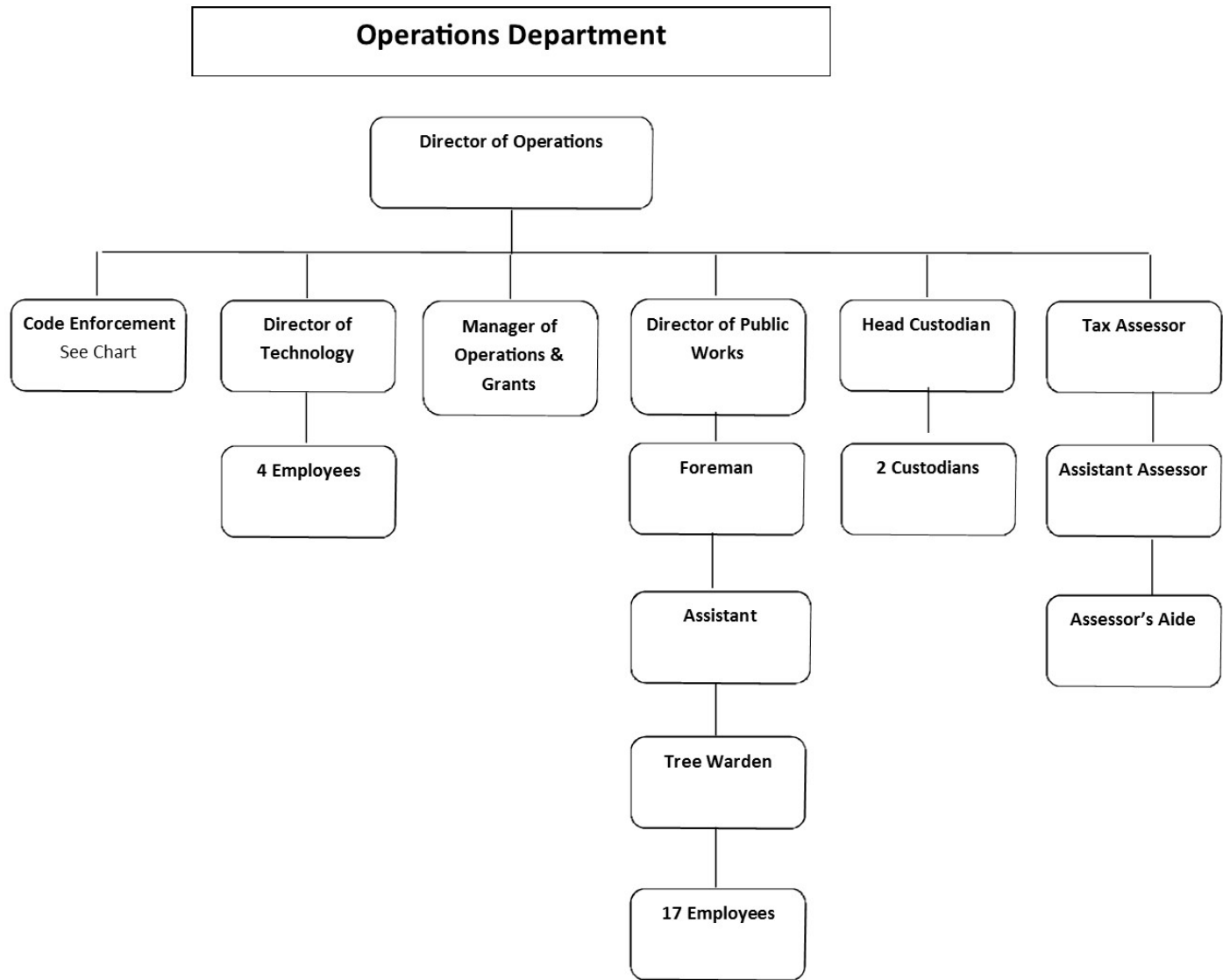
Christopher P. Morill

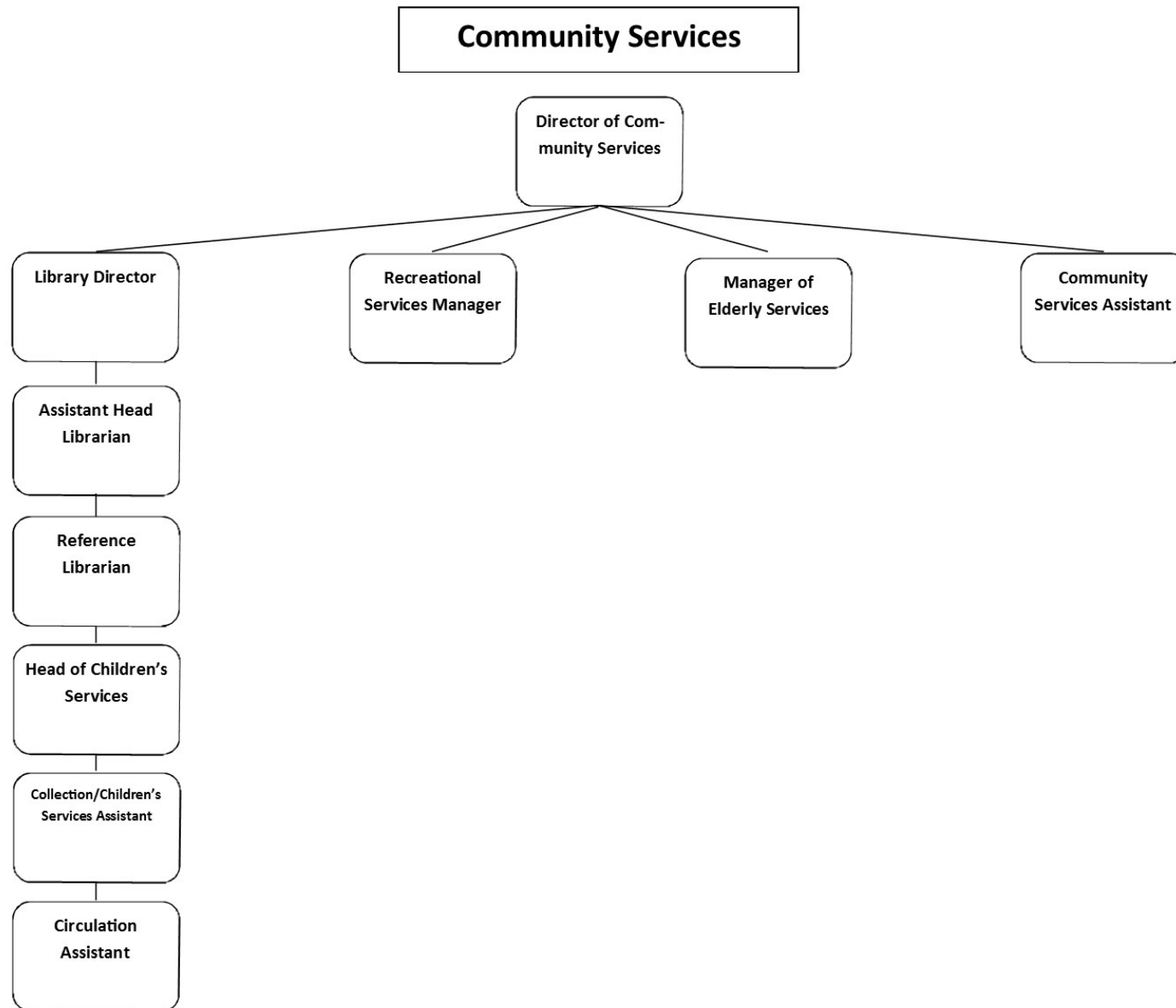
Executive Director/CEO

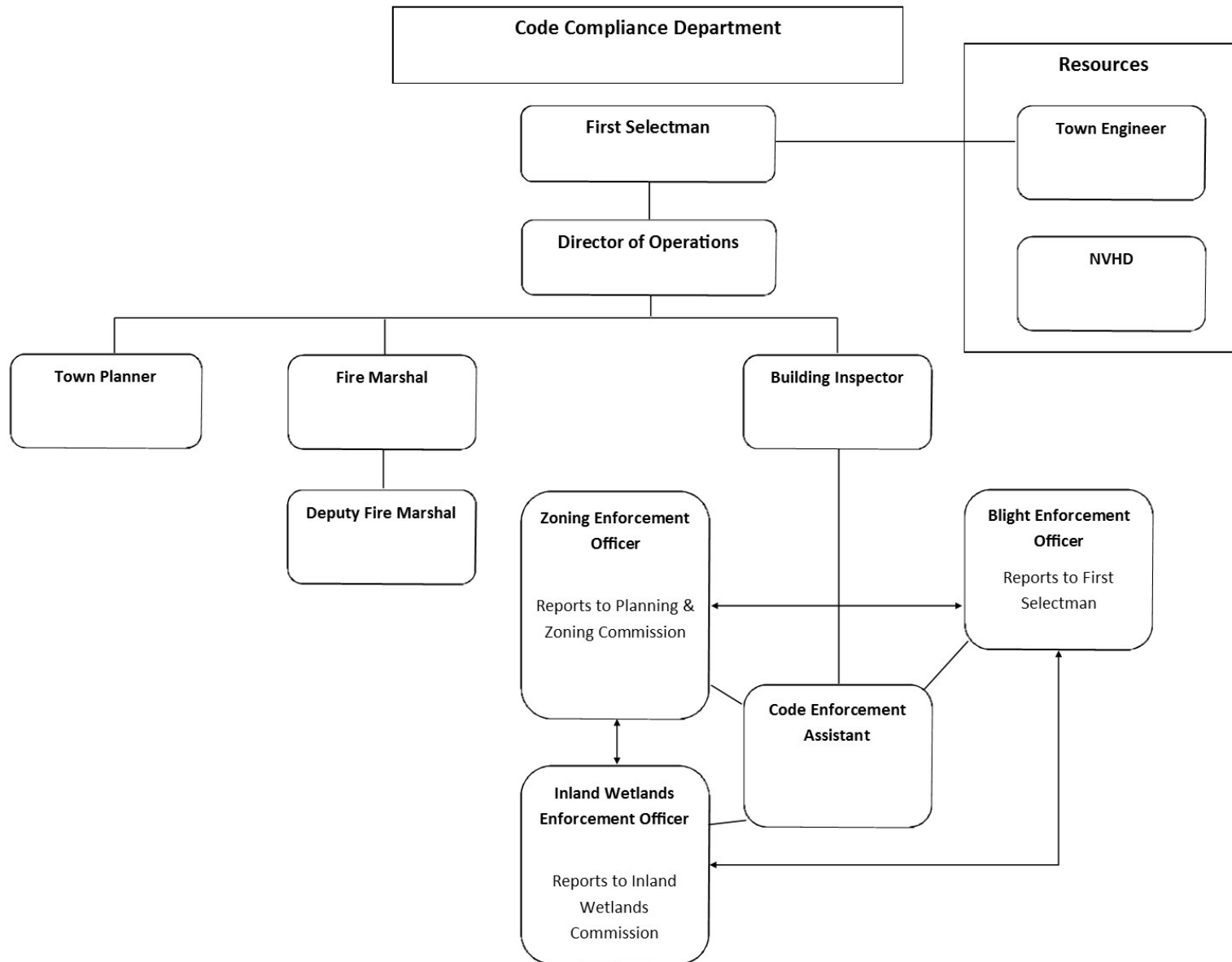
TOWN OF SEYMOUR CONNECTICUT
ORGANIZATION CHART
 Year Ended June 30, 2018



This chart reflects the principal reporting responsibilities of the major functions of the Town. Not all departments, boards, commissions, or elected positions are included.







This page intentionally left blank.

Financial Section

Independent Auditor's Report

To the Board of Finance
Town of Seymour, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Seymour, Connecticut, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Seymour, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Seymour, Connecticut, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter—Adoption of Standards

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, which resulted in the Town restating net position for recognition of the Town's OPEB related activity incurred prior to July 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters**Required Supplementary Information**

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

Other Information

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

The combining and individual fund financial statements and other 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 fund financial statements and other 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2019 on our consideration of the Town of Seymour, 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'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 Seymour, Connecticut's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
February 5, 2019

**Town of Seymour, Connecticut
Management's Discussion and Analysis - Unaudited
June 30, 2018**

The management's discussion and analysis of the Town of Seymour, Connecticut's (the Town) financial performance provides an overall review of the Town's financial activities for the year ended June 30, 2018. The intent of this discussion and analysis is to look at the Town's financial performance as a whole: readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- The total net position of the Town decreased \$4,248,163. Net position of governmental activities decreased \$3,682,640 or 16.9 percent over 2017 and net position of business-type activities decreased \$565,523 or 6.8 percent over 2017.
- General revenues accounted for \$44,367,138 or 65 percent of total governmental activities revenue. Program specific revenues accounted for \$23,818,404 or 35 percent of total governmental activities revenue.
- The Town had \$71,868,182 in expenses related to governmental activities: \$23,818,404 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$48,060,162 were offset by general revenues (mainly by property taxes, unrestricted grants and entitlements) of \$44,367,138.
- The general fund had revenues of \$61,488,430 in 2018. This represents a decrease of \$920,744 from 2017 revenues. The expenditures of the General Fund, which totaled \$63,230,434 in 2018, increased \$2,724,862 from 2017.
- Net position for the business-type activities, which are made up of the Sewer Enterprise Fund, decreased in 2018 by \$565,523. This decrease in net position was due primarily to increased plant maintenance, resulting in an increase of \$729,752 in expense over 2017. Revenues increased marginally from the prior year of \$41,407.
- The State of Connecticut did not approve their budget until October 2017. The budget included \$1,962,291 in Municipal grant reductions. Management convened and implemented a tough spending reduction package. The spending reduction package included; Board of Education cut of \$300,000, Debt refunding and restructuring savings of \$500,000, contingency savings of \$400,000, capital project close out savings of \$200,000, hiring freeze savings of \$180,000 and general fund budget cuts of \$100,000 for a total savings of \$1,680,000. With additional revenues of \$400,000 the state grant reductions were eliminated.
- In the General Fund, budgeted revenues came in \$1,473,608 less than budget and expenditures were \$1,514,334 lower than the final budget. The revenues were less than budget due to state grant reductions of \$1,922,184. Management continued to monitor revenue and expenditures to ensure budget breakeven or surplus.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the Town as a financial whole, and entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the Town as a whole, presenting both an aggregate view of the Town's finances and a longer-term view of those finances, fund financial statements provide the next level of detail. For governmental funds, these

statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Town's most significant funds with all other non-major funds presented in total in one column.

Reporting the Town as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and informs the user how the Town financially performed during 2018. The statement of net position and the statement of activities answer these questions. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Town's net position and changes in those assets. This change in net position is important because it tells the reader that, for the Town as a whole, the financial position of the Town has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Town's property tax base, current property tax laws in Connecticut restricting revenue growth, facility conditions, required community programs and other.

In the statement of net position and the statement of activities, the Town is divided into two distinct kinds of activities:

- 1) Governmental activities – Most of the Town's programs and services are reported here including public safety, education, street maintenance, capital improvements and general administration. These services are funded primarily by property taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- 2) Business-type activities – These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Town's Sewer enterprise operations are reported here.

The Town's statement of net position and statement of activities can be found on pages 15-16 of this report.

Reporting the Town's Most Significant Funds

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.

Fund financial reports provide detailed information about the Town's major funds. The Town uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Town's most significant funds. The analysis of the Town's major governmental, proprietary and fiduciary funds begins on page 17.

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 the government funds is narrower than that of 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, the 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 a multitude of individual governmental funds. The Town has segregated these funds into major funds and non-major funds. The Town's major governmental fund is the General Fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 17-25 of this report.

Proprietary Funds

The Town maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer operations. The Town's enterprise fund is considered a major fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statement 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. Agency funds and pension trust funds are the Town's only fiduciary funds types. The basic fiduciary fund financial statements can be found on page 24-25 of this report.

Notes to the Basic 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. These notes to the basic financial statements can be found on pages 26-60 of this report.

Government-Wide Financial Analysis

The table below provides a summary of the Town's net position for 2018 and 2017.

TOWN OF SEYMOUR, CONNECTICUT CONDENSED STATEMENT OF NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017*	2018	2017	2018	2017*
Current and other assets	\$ 19,950,590	\$ 24,119,430	\$ 2,264,216	\$ 2,371,499	\$ 22,214,806	\$ 26,490,929
Capital assets	91,394,163	91,529,374	5,527,405	5,987,971	96,921,568	\$ 97,517,345
Total assets	111,344,753	115,648,804	7,791,621	8,359,470	119,136,374	124,008,274
Deferred outflows of resources	4,125,939	5,430,168	-	-	4,125,939	5,430,168
Current liabilities	7,567,606	8,948,008	11,467	13,793	7,579,073	8,961,801
Noncurrent liabilities	88,122,249	90,302,342	-	-	88,122,249	90,302,342
Total liabilities	95,689,855	99,250,350	11,467	13,793	95,701,322	99,264,143
Deferred inflows of resources	1,663,710	28,855	-	-	1,663,710	28,855
Net position:						
Net Investment in capital assets	55,859,612	55,869,110	5,527,405	5,987,971	61,387,017	61,857,081
Restricted	1,338,695	-	-	-	1,338,695	-
Unrestricted*	(39,081,180)	(34,069,343)	2,252,749	2,357,706	(36,828,431)	(31,711,637)
Total net position	\$ 18,117,127	\$ 21,799,767	\$ 7,780,154	\$ 8,345,677	\$ 25,897,281	\$ 30,145,444

* Restated governmental activities unrestricted net position for implementation of GASB No. Statement 75.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2018, the Town assets exceeded liabilities by \$25,897,281. At year-end, net position was \$18,117,127 and \$7,780,154 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the Town's net position. At year-end capital assets represented 81 percent of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at June 30, 2018, were \$55,859,612 and \$5,527,405 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

In the governmental activities, the remaining balance is an unrestricted net deficit of \$(39,081,180).

The table below shows the changes in net position for the fiscal year 2018 and 2017.

TOWN OF SEYMOUR, CONNECTICUT CONDENSED STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 2,863,730	\$ 2,426,006	\$ 2,046,088	\$ 2,007,512	\$ 4,909,818	\$ 4,433,518
Operating grants and contributions	19,164,670	20,837,024	-	-	19,164,670	20,837,024
Capital grants and contributions	1,790,004	132,446	-	-	1,790,004	132,446
General revenues:						
Property taxes	43,627,199	43,113,621	-	-	43,627,199	43,113,621
Grants and contributions not restricted to specific programs	201,268	801,178	-	-	201,268	801,178
Investment income	138,235	41,474	3,536	705	141,771	42,179
Miscellaneous revenue	400,436	-	-	-	400,436	-
Total revenues	68,185,542	67,351,749	2,049,624	2,008,217	70,235,166	69,359,966
Expenses						
General government	4,634,906	5,355,369	-	-	4,634,906	5,355,369
Public Safety	9,975,081	8,120,718	-	-	9,975,081	8,120,718
Public Works	7,539,214	6,124,095	-	-	7,539,214	6,124,095
Recreation and Culture	1,057,717	1,014,163	-	-	1,057,717	1,014,163
Sanitation	1,338,666	1,307,182	-	-	1,338,666	1,307,182
Board of Education	45,883,561	44,019,109	-	-	45,883,561	44,019,109
Interest on long-term debt	1,439,037	1,671,853	-	-	1,439,037	1,671,853
Water	-	-	2,615,147	1,885,395	2,615,147	1,885,395
Total expenses	71,868,182	67,612,489	2,615,147	1,885,395	74,483,329	69,497,884
Change in net position	(3,682,640)	(260,740)	(565,523)	122,822	(4,248,163)	(137,918)
Net Position - July 1, restated	21,799,767	50,807,051	8,345,677	8,222,855	30,145,444	59,029,906
Restatement - GASB 75	-	(28,746,544)	-	-	-	(28,746,544)
Net Position - June 30	\$ 18,117,127	\$ 21,799,767	\$ 7,780,154	\$ 8,345,677	\$ 25,897,281	\$ 30,145,444

* Restated governmental activities unrestricted net position for implementation of GASB No. Statement 75.

Governmental Activities

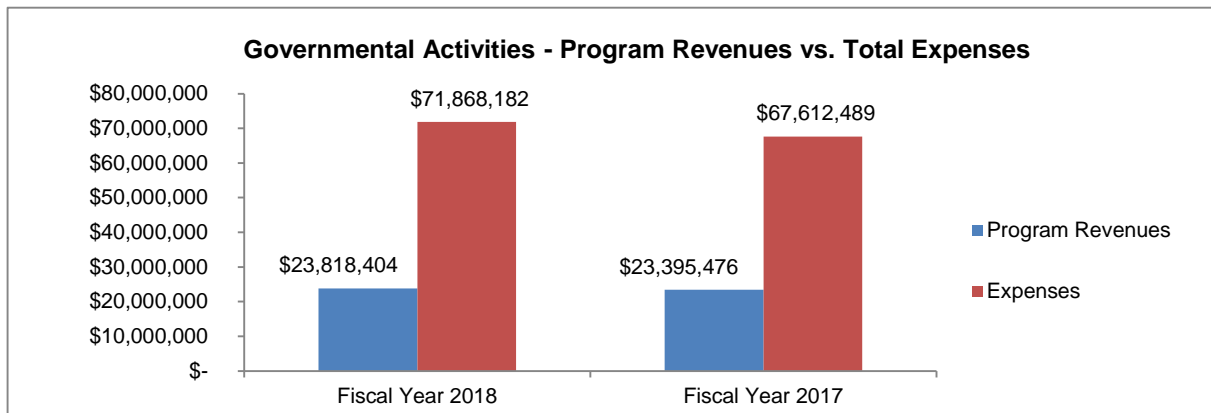
Governmental activities net position decreased \$3,682,640 in 2018. The decrease was due to increases in OPEB liability and other employee benefits.

Education accounted for \$45,883,561 of the total expenses of the Town. These expenses were partially funded by \$18,193,694 in state and federal grants.

The state and federal government contributed to the Town a total of \$19,164,670 in operating grants and contributions, which is a decrease of \$1,672,354 which is due to decreases in state funding of municipal in aid grants and education cost sharing grant reductions.

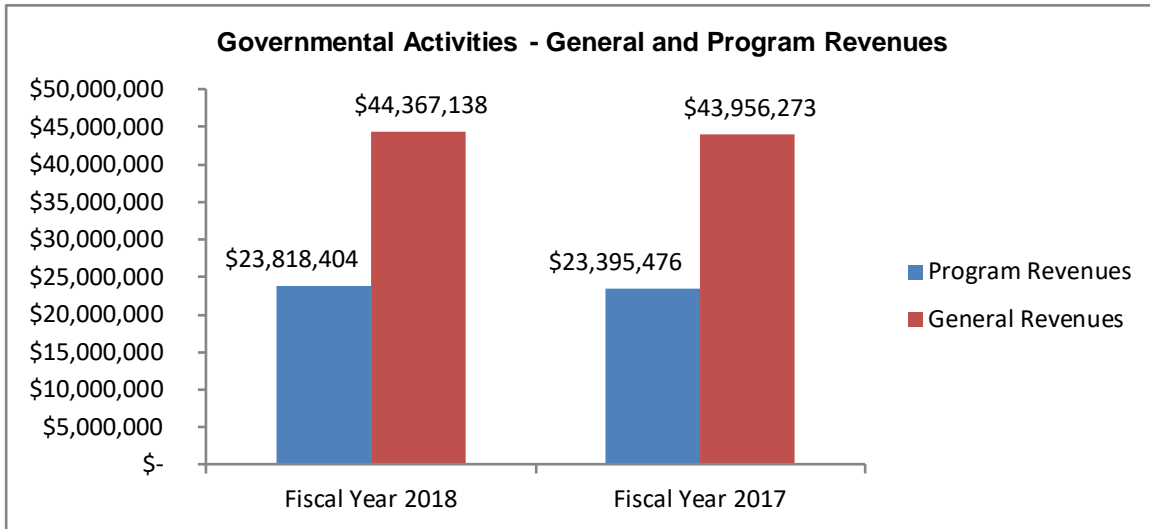
General revenues totaled \$44,367,138 and amount to 65 percent of total governmental revenues. These revenues primarily consist of property tax revenue of \$43,627,199. The other primary source of general revenues is grants and contributions not restricted to specific programs, making up \$201,268.

The statement of activities shows the cost of program services and charges for services and grants offsetting those services. The following table show, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements to support its governmental activities.



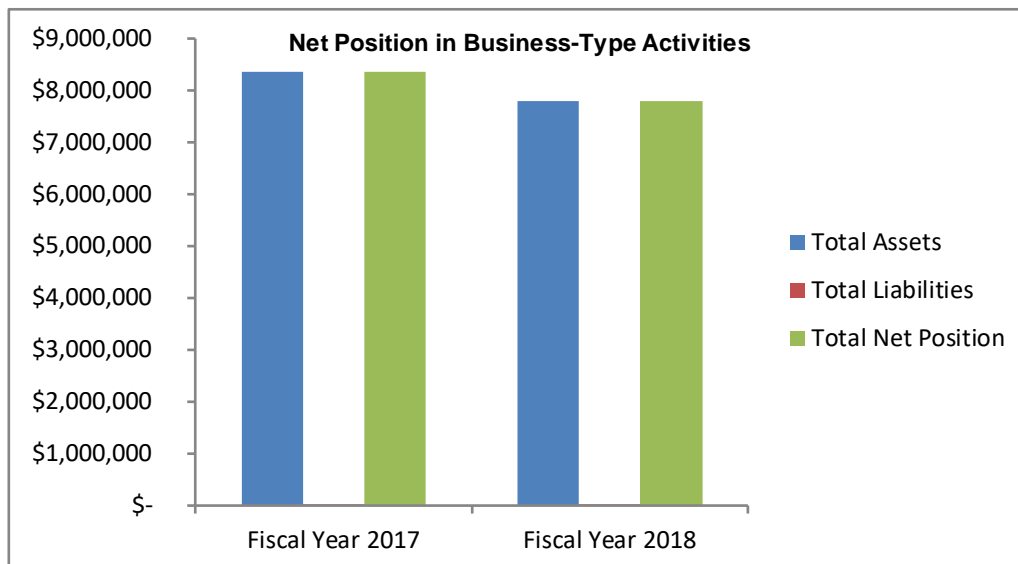
	Governmental Activities			
	2018 Total Cost of Services	2017 Total Cost of Services	2018 Net Cost of Services	2017 Net Cost of Services
Program Expenses				
General government	\$ 4,634,906	\$ 4,929,550	\$ 3,803,276	\$ 4,158,839
Public safety	9,975,081	7,206,132	8,795,609	6,554,454
Public works	7,539,214	5,635,329	4,496,584	3,496,812
Recreation and culture	1,057,717	2,865,551	1,057,717	2,865,551
Sanitation	1,338,666	1,284,965	1,338,666	1,284,965
Education	45,883,561	44,019,109	27,118,889	24,184,539
Interest on long-term debt	1,439,037	1,671,853	1,439,037	1,671,853
Total expenses	\$ 71,868,182	\$ 67,612,489	\$ 48,049,778	\$ 44,217,013

The dependence upon general revenues for governmental activities is apparent, with 65 percent of expenses supported through taxes and other general revenues.



Business-Type Activities

Business-Type activities include the Town's Sewer enterprise. This enterprise had operating revenues of \$2,046,088 and operating expense of \$2,615,147 for the fiscal year 2018. The graph below shows the business-type activities' assets, liabilities and net position at year-end 2018 and 2017.



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 the Town's net resources available for spending at year-end.

The Town's governmental funds, as presented on the balance sheet on pages 17-18, reported a combined fund balance of \$10,775,518 which is \$3,981,417 less than last year's total of \$14,756,935. The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2018 for all major and non-major governmental funds.

	Fund Balances June 30, 2018	Fund Balances June 30, 2017	Increase (Decrease)
General Fund	\$ 2,598,909	\$ 7,180,309	\$ (4,581,400)
Road Projects	2,284,670	4,607,738	(2,323,068)
Debt Service Fund	2,300,079	-	2,300,079
Rimmon Road Improvement Fund	(195,912)	(254,371)	58,459
Other Governmental Funds	3,787,772	3,223,259	564,513
Total	\$ 10,775,518	\$ 14,756,935	(3,981,417)

General Fund

The table that follows assists in illustrating the revenues of the General Fund.

	2018 Amount	2017 Amount	Percentage Change
Revenues			
Property taxes	\$ 43,512,335	\$ 43,326,698	0.43%
Interest and lien fees	354,119	389,490	-9.08%
Intergovernmental	16,206,958	17,391,415	-6.81%
Investment income	124,817	38,103	227.58%
Permits, fees and other	1,191,839	1,221,992	-2.47%
Other revenues	98,362	41,476	137.15%
Total	\$ 61,488,430	\$ 62,409,174	-1.48%

Tax revenue represents 70.8 percent of all General Fund revenue. Tax revenue increased by 0.43 percent over prior year. Tax increase was due to a tax assessment increase of .35 percent and positive tax collections. Intergovernmental revenue decreased \$1,184,457 due to state grant reductions. The interest and lien fees decreased \$35,371, investment income increased \$86,714, Permit, fees and other decreased \$30,153, and other revenues increased \$56,886 for a net decrease of \$920,744.

The table that follows assists in illustrating the expenditures of the General Fund.

	2018 Amount	2017 Amount	Percentage Change
Expenditures:			
General government	\$ 3,222,335	\$ 3,157,102	2.07%
Public safety	7,306,916	7,202,063	1.46%
Public works	2,999,597	2,932,518	2.29%
Sanitation	1,273,950	1,272,323	0.13%
Sundry	4,837,459	2,801,316	72.69%
Board of Education	39,716,984	38,331,124	3.62%
Debt service	3,665,193	4,666,165	-21.45%
Capital outlay	208,000	142,961	45.49%
Total	\$ 63,230,434	\$ 60,505,572	4.50%

All expenditures remained comparable to 2017 overall. The expenditure increases for General government, Public safety, Public works and Board of Education are due to contractual union agreements. The Debt service decrease is due to the refunding of debt with savings of \$606,084 and unspent contingency of \$400,000. Capital outlay increase of \$65,039 is due to budgeted increase to road and building maintenance.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements are inter-fund eliminations between proprietary funds and internal balances due to governmental activities for internal service activities. The only inter-fund activity, reported in the government-wide statements, are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas inter-fund amounts between various enterprise funds are reported in the proprietary funds statements.

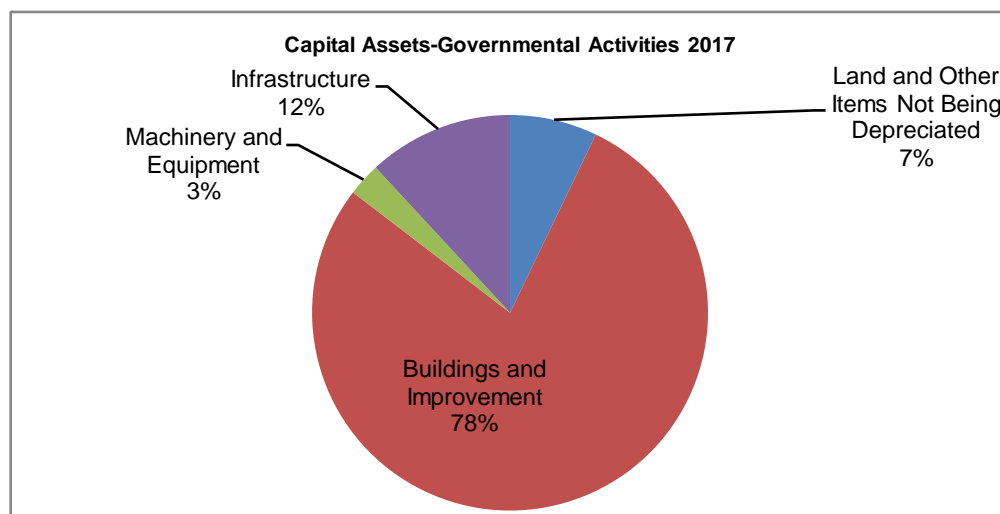
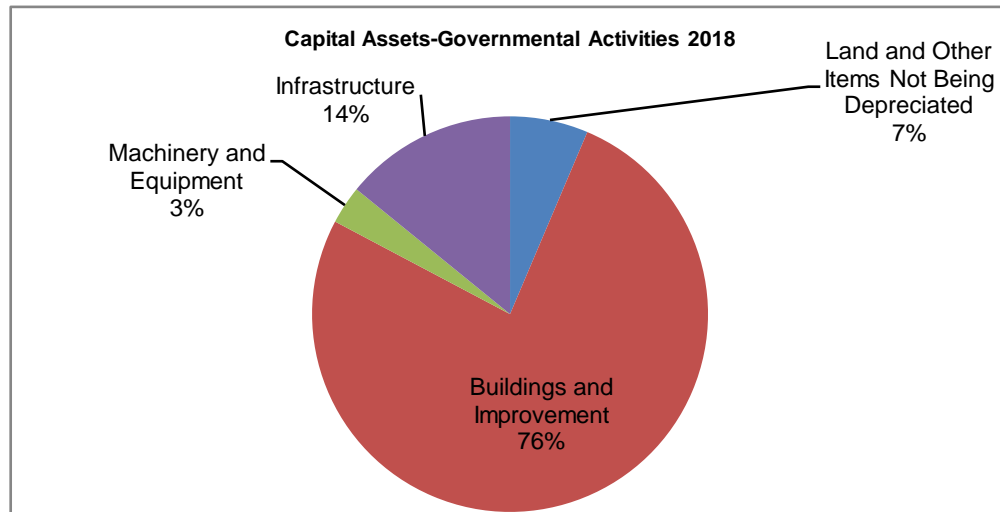
Capital Assets and Debt Administration

Capital Assets. At the end of fiscal year 2018, the Town had \$91,394,163 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment, vehicles, infrastructure and construction in progress. The following table shows fiscal year 2018 balances compared to fiscal year 2017 balances. See Note 2 for more information on Capital Assets.

**Capital Assets at June 30, 2018 and 2017
(Net of Depreciation)**

	2018	2017
Land and other items not being depreciated	\$ 5,836,981	\$ 6,532,041
Buildings and improvements	69,791,237	71,648,947
Machinery and equipment	2,853,647	2,479,935
Infrastructure	12,912,298	10,868,451
Total	\$ 91,394,163	\$ 91,529,374

The Town's largest capital asset category is Buildings which includes all the Town's buildings and schools (High School, Middle School, two elementary schools). The net book value of the Town's infrastructure (cost less accumulated depreciation) represents approximately 14 percent of the Town's total governmental capital assets. For more detail on capital assets please see notes in the financial statements starting on page 40.



Debt Administration

The Town had the following long-term obligations outstanding at June 30, 2018 and 2017. The Town refunded debt of \$8,635,000 tax exempt 2017B and \$1,795,000 taxable bonds 2017C. The bonds were issued with an average coupon interest rate of 3.65% and 3.26% respectively. The result was a cash savings of \$606,084 and level debt service for five years. The net present value savings and percentages were \$(463,046) with a (5.36)% and \$(77,608) with a (4.33)% respectively. See Note 2 for more information on Debt.

	Governmental Activities	
	2018	2017*
Retirement liability	\$ 130,207	\$ 174,931
Bonds, capital leases, claims and contracts	43,716,894	44,136,279
OPEB	41,661,281	41,891,978
Net pension liability	3,102,889	4,595,035
Compensated absences	3,493,485	3,388,802
Total	\$ 92,104,756	\$ 94,187,025

* Restated for GASB No. 75

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Director at 1 First Street, Seymour, Connecticut 06483.

This page intentionally left blank.

Basic Financial Statements

Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Cash	\$ 10,458,738	\$ 1,434,979	\$ 11,893,717
Investments	135,875	-	135,875
Property taxes receivable, net	2,008,160	-	2,008,160
Intergovernmental receivable	123,040	-	123,040
Accounts and other receivables, net	3,192,299	829,237	4,021,536
Inventories	10,651	-	10,651
Restricted cash	4,021,827	-	4,021,827
Capital assets, nondepreciable	5,836,981	-	5,836,981
Capital assets, net of accumulated depreciation	85,557,182	5,527,405	91,084,587
Total assets	111,344,753	7,791,621	119,136,374
Deferred outflows of resources:			
Deferred pension expense	3,140,447	-	3,140,447
Deferred charges on refunding	985,492	-	985,492
Total deferred outflows of resources	4,125,939	-	4,125,939
Liabilities			
Accounts payable	2,386,115	11,467	2,397,582
Accrued liabilities	656,995	-	656,995
Accrued interest payable	504,060	-	504,060
Unearned revenue	37,929	-	37,929
Noncurrent liabilities, due within one year	3,982,507	-	3,982,507
Noncurrent liabilities, due in more than one year	88,122,249	-	88,122,249
Total liabilities	95,689,855	11,467	95,701,322
Deferred inflows of resources:			
Deferred pension credit	157,000	-	157,000
Deferred OPEB credit	1,506,710	-	1,506,710
Total deferred inflows of resources	1,663,710	-	1,663,710
Net position:			
Net investment in capital assets	55,859,612	5,527,405	61,387,017
Restricted	1,338,695	-	1,338,695
Unrestricted (deficit)	(39,081,180)	2,252,749	(36,828,431)
Total net position	\$ 18,117,127	\$ 7,780,154	\$ 25,897,281

See notes to financial statements.

Town of Seymour, Connecticut

Exhibit II

Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ (4,634,906)	\$ 517,065	\$ 314,565	\$ -	\$ (3,803,276)	\$ -	\$ (3,803,276)
Public safety	(9,975,081)	1,100,546	78,926	-	(8,795,609)	-	(8,795,609)
Public works	(7,539,214)	675,141	577,485	1,790,004	(4,496,584)	-	(4,496,584)
Recreation and culture	(1,057,717)	-	-	-	(1,057,717)	-	(1,057,717)
Sanitation	(1,338,666)	-	-	-	(1,338,666)	-	(1,338,666)
Board of education	(45,883,561)	570,978	18,193,694	-	(27,118,889)	-	(27,118,889)
Interest on long-term debt	(1,439,037)	-	-	-	(1,439,037)	-	(1,439,037)
Total governmental activities	(71,868,182)	2,863,730	19,164,670	1,790,004	(48,049,778)	-	(48,049,778)
Business-type activities:							
Sewer fund	(2,615,147)	2,046,088	-	-	-	(569,059)	(569,059)
Total business-type activities	(2,615,147)	2,046,088	-	-	-	(569,059)	(569,059)
Total primary government	\$ (74,483,329)	\$ 4,909,818	\$ 19,164,670	\$ 1,790,004	(48,049,778)	(569,059)	(48,618,837)
General revenues:							
Property taxes, interest and lien fees					43,627,199	-	43,627,199
Grants and contributions not restricted to specific programs					201,268	-	201,268
Investment earnings					138,235	3,536	141,771
Miscellaneous					400,436	-	400,436
Total general revenues					44,367,138	3,536	44,370,674
Change in net position					(3,682,640)	(565,523)	(4,248,163)
Net position, beginning of year - restated					21,799,767	8,345,677	30,145,444
Net position, end of year					\$ 18,117,127	\$ 7,780,154	\$ 25,897,281

See notes to financial statements.

Balance Sheet - Governmental Funds
June 30, 2018

	General	Road Projects	Debt Service	Rimmon Road Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 3,906,198	\$ 2,284,670	\$ 2,300,079	\$ 263,616	\$ 3,630,883	\$ 12,385,446
Investments	-	-	-	-	135,875	135,875
Receivables, net:						
Property taxes	2,008,160	-	-	-	-	2,008,160
Intergovernmental	-	-	-	-	123,040	123,040
Accounts and other	2,264,246	-	-	467,772	460,281	3,192,299
Due from other funds	1,249,036	-	-	-	128,558	1,377,594
Inventories	-	-	-	-	10,651	10,651
Total assets	\$ 9,427,640	\$ 2,284,670	\$ 2,300,079	\$ 731,388	\$ 4,489,288	\$ 19,233,065
Liabilities						
Accounts and other payables	\$ 2,111,699	\$ -	\$ -	\$ 132,300	\$ 135,779	\$ 2,379,778
Due to other funds	128,558	-	-	795,000	454,036	1,377,594
Unearned revenues	1,467	-	-	-	36,462	37,929
Other liabilities	656,995	-	-	-	-	656,995
Total liabilities	2,898,719	-	-	927,300	626,277	4,452,296
Deferred inflows of resources:						
Unavailable revenue	3,930,012	-	-	-	75,239	4,005,251
Total deferred inflows of resources	3,930,012	-	-	-	75,239	4,005,251
Fund balances:						
Nonspendable	-	-	-	-	10,651	10,651
Restricted	-	2,284,670	-	-	3,075,852	5,360,522
Committed	-	-	-	-	770,263	770,263
Assigned	871,265	-	2,300,079	-	-	3,171,344
Unassigned	1,727,644	-	-	(195,912)	(68,994)	1,462,738
Total fund balances	2,598,909	2,284,670	2,300,079	(195,912)	3,787,772	10,775,518
Total liabilities, deferred inflows of resources and fund balances	\$ 9,427,640	\$ 2,284,670	\$ 2,300,079	\$ 731,388	\$ 4,489,288	\$ 19,233,065

(Continued)

Balance Sheet - Governmental Funds (Continued)
June 30, 2018

Reconciliation of the balance sheet - governmental funds to the statement of net position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)	\$	10,775,518
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	151,548,738
Less accumulated depreciation		<u>(60,154,575)</u>
		91,394,163
Deferred pension expense		3,140,447
Deferred pension credit		(157,000)
Deferred OPEB credit		(1,506,710)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property tax receivables		1,083,118
Assessments and other receivables not currently available		2,306,639
Interest on property taxes and assessments		615,494
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		(483,852)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds and sewer notes payable		(37,335,000)
Notes payable		(315,000)
Compensated absences		(3,493,485)
Accrued interest payable		(504,060)
Early retirement incentives		(130,207)
Capital lease		(496,250)
Legal claims		(185,125)
Total Other post-employment liability		(41,661,281)
Deferred amounts in refunding		985,492
Bond premium		(2,812,885)
Net pension liability		<u>(3,102,889)</u>
Net position of governmental activities (Exhibit I)	\$	<u>18,117,127</u>

See notes to financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2018

	General	Road Projects	Debt Service	Rimmon Road Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 43,512,335	\$ -	\$ -	\$ -	\$ -	\$ 43,512,335
Interest and lien fees	354,119	-	-	-	-	354,119
Intergovernmental	16,206,958	-	-	1,773,258	3,479,137	21,459,353
Investment income	124,817	10,837	79	-	2,502	138,235
Permits, fees and other	1,191,839	-	-	-	1,573,613	2,765,452
Other revenues	98,362	150,600	-	-	527,029	775,991
Total revenues	61,488,430	161,437	79	1,773,258	5,582,281	69,005,485
Expenditures:						
Current:						
General government	3,222,335	23,653	-	-	418,602	3,664,590
Public safety	7,306,916	-	-	-	1,106,368	8,413,284
Public works	2,999,597	2,361,011	-	-	2,690	5,363,298
Sanitation	1,273,950	-	-	-	-	1,273,950
Sundry	4,837,459	-	-	-	-	4,837,459
Board of education	39,716,984	-	-	-	3,183,832	42,900,816
Debt service	3,665,193	-	312,698	-	470,504	4,448,395
Capital outlay	208,000	-	496,250	1,714,799	951,009	3,370,058
Total expenditures	63,230,434	2,384,664	808,948	1,714,799	6,133,005	74,271,850
Revenues over (under) expenditures	(1,742,004)	(2,223,227)	(808,869)	58,459	(550,724)	(5,266,365)
Other financing sources (uses):						
Issuance of refunding bonds	-	-	9,954,000	-	476,000	10,430,000
Payment to escrow agent	-	-	(9,964,135)	-	-	(9,964,135)
Premium on bonds	-	-	322,833	-	-	322,833
Capital lease proceeds	-	-	496,250	-	-	496,250
Transfers in	200,000	-	2,300,000	-	951,793	3,451,793
Transfers out	(3,039,396)	(99,841)	-	-	(312,556)	(3,451,793)
Total other financing sources (uses)	(2,839,396)	(99,841)	3,108,948	-	1,115,237	1,284,948
Net changes in fund balances	(4,581,400)	(2,323,068)	2,300,079	58,459	564,513	(3,981,417)
Fund balances (deficits), beginning of year	7,180,309	4,607,738	-	(254,371)	3,223,259	14,756,935
Fund balances (deficits), end of year	\$ 2,598,909	\$ 2,284,670	\$ 2,300,079	\$ (195,912)	\$ 3,787,772	\$ 10,775,518

(Continued)

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
(Continued)
For the Year Ended June 30, 2018

Reconciliation of the statement of revenues, expenditures and changes in fund balances -
governmental funds to statement of activities:

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

Net change in fund balances (deficits) - total governmental funds (Exhibit IV)	\$ (3,981,417)
--	----------------

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. This is the amounts for capital outlays
and depreciation in the current period:

Capital outlay	3,472,503
Depreciation expense	(3,607,714)

The change in net position in governmental activities of internal service funds is reported with governmental activities	(491,689)
---	-----------

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

Changes in property taxes collected after 60 days	15,920
Changes in assessments collected after 60 days	(248,995)
Changes in intergovernmental revenues collected after 60 days	(554,427)
Changes in property taxes and assessments interest	(6,180)

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

Issuance of refunding bonds	(10,430,000)
Principal payments	2,060,865
Payment to escrow agent	9,964,135
Payment of note payable	105,000
Deferred loss on refunding	654,135
Premium on debt issuance	(322,833)
Amortization of premium on general obligation bonds	311,554
Capital lease proceeds	(496,250)
Amortization of deferred amounts on refunding	(125,736)

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:

Deferred pension expense	(1,832,628)
Deferred pension credit	(128,145)
Deferred OPEB credit	(1,506,710)
Accrued interest	3,540
Total OPEB liability	230,697
Net pension liability	1,492,146
Compensated absences	(104,683)
Claims and other	1,799,548
Early retirement incentives	44,724

Change in net position of governmental activities (Exhibit II)	\$ (3,682,640)
---	-----------------------

See notes to financial statements.

Statement of Net Position (Deficit) - Proprietary Funds
June 30, 2018

	Business-Type Activities Enterprise Fund Sewer Fund	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash	\$ 1,434,979	\$ 2,095,119
Accounts receivable, net	829,237	-
Total current assets	2,264,216	2,095,119
Noncurrent assets:		
Capital assets, net of accumulated depreciation	5,527,405	-
Total noncurrent assets	5,527,405	-
Total assets	7,791,621	2,095,119
Liabilities		
Current liabilities:		
Accounts payable	11,467	6,337
Claims payable	-	52,996
Total current liabilities	11,467	59,333
Noncurrent liabilities:		
Claims payable	-	2,519,638
Total noncurrent liabilities	-	2,519,638
Total liabilities	11,467	2,578,971
Fund net position:		
Net investment in capital assets	5,527,405	-
Unrestricted	2,252,749	(483,852)
Total fund net position (deficit)	\$ 7,780,154	\$ (483,852)

See notes to financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) - Proprietary Funds
For the Year Ended June 30, 2018

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	\$ 2,043,479	\$ 2,720,091
Other	2,609	30,650
Total operating revenues	2,046,088	2,750,741
Operating expenses:		
Administration and operation	2,124,356	58,325
Depreciation	490,791	-
Claims	-	3,184,105
Total operating expenses	2,615,147	3,242,430
Operating loss	(569,059)	(491,689)
Nonoperating revenues:		
Interest income	3,536	-
Total nonoperating revenues	3,536	-
Change in fund net position	(565,523)	(491,689)
Fund net position, beginning of year	8,345,677	7,837
Fund net position (deficit), end of year	\$ 7,780,154	\$ (483,852)

See notes to financial statements.

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2018

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,953,785	\$ 3,039,992
Payments to suppliers and for claims	(2,126,682)	(1,073,109)
Net cash (used in) provided by operating activities	(172,897)	1,966,883
Cash flows from capital and financing activities:		
Capital expenditures	(30,225)	-
Net cash used in capital and financing activities	(30,225)	-
Cash flows from investing activities:		
Investment income	3,536	-
Net cash provided by investing activities	3,536	-
Net (decrease) increase in cash and cash equivalents	(199,586)	1,966,883
Cash:		
Beginning of year	1,634,565	128,236
End of year	<u>\$ 1,434,979</u>	<u>\$ 2,095,119</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:		
Operating loss	\$ (569,059)	\$ (491,689)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation expense	490,791	-
Increase in accounts receivable	(92,303)	-
Decrease in accounts payable	(2,326)	(3,313)
Decrease in due from other funds	-	289,251
Net cash (used in) provided by operating activities	\$ (172,897)	\$ 1,966,883

See notes to financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2018

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash	\$ 30,792	\$ 123,398
Investments	1,590,620	-
Total assets	<u>1,621,412</u>	<u>123,398</u>
Liabilities		
Due to others	-	123,398
Total liabilities	<u>-</u>	<u>123,398</u>
Net position	<u>\$ 1,621,412</u>	<u>\$ -</u>

See notes to financial statements.

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2018

	Private Purpose Trust Funds
Additions:	
Interest and dividends	\$ 146,915
Donations	2,170
Net additions	<u>149,085</u>
Deductions:	
Education	89,616
General government	2,600
Total deductions	<u>92,216</u>
Change in net position	56,869
Net position:	
Beginning of year	<u>1,564,543</u>
End of year	<u><u>\$ 1,621,412</u></u>

See notes to financial statements.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Town of Seymour, Connecticut (the Town) was incorporated in 1850. It operates under a Town Meeting form of government. The Town has an executive seven-member Board of Selectmen. The Town provides a full range of services including public safety (police and fire), public works, health and social services, recreation and cultural services, sanitation, education and general administrative services to its residents.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. No entities met the above criteria for inclusion in the financial statements.

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

Accounting standards adopted in the current year: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented on July 1, 2017. This statement revised and established new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions. Among other requirements, Statement No. 75 required governments to report a liability on the face of the financial statements for the OPEB that they provide: 1) Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. 2) Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. 3) Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

The effects of the implementation of this statement are as follows: The beginning net position was decreased by \$28,746,544, a total OPEB liability of \$41,891,978 was added, and a net OPEB obligation of \$13,145,434 was removed. Details can be found in Note 4.

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 primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Separate fund 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 and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The various fund types included in the financial statements are described below:

Governmental funds: Governmental Funds are those through which most governmental functions typically are financed.

Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid.

The general fund: is the primary operating fund of the Town. This fund is used to account for and report all financial transactions and resources except accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special revenue funds: account for and report the proceeds of specific revenue sources that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

Capital project funds: account for and report all financial resources that are restricted, committed or assigned to expenditure for governmental activities capital outlay.

Permanent funds: are used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs.

Proprietary funds: Proprietary funds are used to account for activities that are similar to those often found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

Enterprise funds: account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Sewer Fund is the Town's only enterprise fund.

Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the Town on a cost-reimbursement basis. The Town reported one internal service fund used to account for the self-insurance activities of the Town.

Fiduciary funds: Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Agency funds: are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Town reports an agency fund to account for its student activity funds.

Private purpose trust funds: are used to account for resource legally held in trust for the benefit of individuals, private organizations or other governments.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 the fiduciary fund financial statements. The agency funds are reported using the accrual basis of accounting but do not have a measurement focus.

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 when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the Town.

The Town reports the following major governmental funds:

The General fund: is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. The General Fund pays all general operating expenditures, debt service and the capital improvement costs of the Town which are not paid through other funds. The fund will also liquidate the liability for compensated absences, pension and other post-employment benefit liabilities.

The Road Project fund: accounts for funds associated with road repairs and maintenance.

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

The Rimmon Road Improvement fund: accounts for Federal grant and local funds restricted for the reconstruction of Rimmon road.

The Town reports the following major enterprise fund:

The Sewer fund: accounts for the operations of the Town's sanitary sewer system. The major source of revenue is user fees.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are eliminated in the process of consolidation. Exceptions to this general rule are charges between the proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund are charges to other Town funds for medical insurance premiums. Operating expenses for proprietary funds, include the cost of operations and maintenance, and depreciation on capital assets. Operating expenses for the internal service fund includes the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 three months are considered to be cash equivalents. The Town does not have any cash equivalents in the current year.

Investments: Investments are stated at fair value.

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

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 2 for additional information regarding fair value.

Property taxes: The Town's property tax is levied each July 1, on the assessed value listed on the prior October 1, Grand List for all taxable property located in the Town. Taxes are due and payable in equal installments on July 1, and January 1, following the date of the Grand List. Interest of 1½ percent per month is charged on delinquent taxes. Liens are effective on the attachment date and are continued by filing prior to the following levy date. 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. An amount of \$89,935 has been established as an allowance for uncollectible taxes. At June 30, 2018, this represents approximately 6% percent of all property taxes receivable. All trade and property tax receivables are reported net of an allowance for uncollectibles.

Restricted assets: The restricted assets for the Town are restricted for capital project purposes. This amount relates to unspent bond proceeds which are to be used for the acquisition of capital assets.

Inventories: All non-commodities 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.

Allowance for doubtful accounts: Accounts receivable including property taxes receivable for the primary government are reported net of an allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

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

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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. Land and construction in progress are not depreciated. Property, plant and equipment, and infrastructure assets of the Town are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Land improvements	20
Buildings	25-50
Building improvements	25-50
Infrastructure	10-65
Machinery and equipment	5-20
Vehicles	8

Capital outlay (assets) are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

Compensated absences: Compensated absences of the Town consist of vacation and sick leave to the extent that payment to the employee for these absences is attributable to services already rendered and are not contingent on a specific event that is outside the control of the Town and the employee. Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates. Vacation pay expenses to be paid in future periods are accrued when incurred in the government-wide and enterprise fund financial statements. The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the financial statement date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. 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. Compensated absences are generally paid out of the General Fund.

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. The investments are recorded at fair value in the calculation of the net pension liability.

Total OPEB liability: The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability). The Town has accumulated no assets to fund the OPEB liability and therefore does not have a fiduciary fund to pay OPEB benefits. The total 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. The total OPEB liability is reported in the statement of net position. The Town does not issue separate stand-alone financial statements for this plan.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Principal payments are reported as debt service expenditures.

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

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 a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. 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 property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Pension plans: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System plan (MERS) and the additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Other post-employment obligations (OPEB) accounting:

Total OPEB liability: The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total OPEB liability). The total OPEB liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

Funding policy: The Town makes annual contributions under the pay-as-you-go method.

Net position and fund balance:

Net position: In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

Net investment in capital assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position: This category represents the net position of the Town, which is not restricted for any project or other purpose. A deficit will require future funding.

Fund balance: In the government fund financial statements, the Town classifies fund balances as follows:

Nonspendable fund balance: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance: This represents amounts constrained prior to year-end for a specific purpose by the Town using its highest level of decision-making authority (Town of Seymour, Board of Finance) in the form of an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until similar action is taken to remove or revise the limitation.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assigned fund balance: Amounts constrained for the intent to be used for a specific purpose by the Director of Finance who has been delegated authority to assign amounts by the Board of Finance.

Unassigned fund balance: The residual amount not allocated to any other fund balance categories in the General Fund and any residual deficit balance of any other governmental funds. A deficit will require future funding.

When both restricted and unrestricted amounts are available for use, it is the Town's policy to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

The Town has no minimum fund balance policy.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow of resources and liabilities and deferred inflows of resources 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.

Note 2. Detailed Notes on All Funds

Cash 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 the Statutes 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.

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.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, \$17,049,322 of the Town's bank balance of \$18,364,408 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 15,344,390
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	1,704,932
Total amount subject to custodial credit risk	<u>\$ 17,049,322</u>

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2018:

Cash:	
Deposits with financial institutions	\$ 16,069,734
Total cash	<u>16,069,734</u>

Investments:	
Nonmajor Governmental Funds:	
Mutual funds	45,285
Certificates of deposit	90,590
	<u>135,875</u>
Fiduciary fund:	
Mutual funds	1,590,620
Total investments	<u>1,726,495</u>
Total cash and investments	<u>\$ 17,796,229</u>

Statement of net position:	
Cash	\$ 15,915,544
Investments	135,875
	<u>16,051,419</u>

Fiduciary funds:	
Cash	154,190
Investments	1,590,620
	<u>1,744,810</u>
Total cash and investments	<u>\$ 17,796,229</u>

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

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

Investment Type	Credit Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1 Year	1-10 Years	More Than 10 Years
Mutual funds	N/A	\$ 1,635,905	\$ 1,635,905	\$ -	\$ -
		\$ 1,635,905	\$ 1,635,905	\$ -	\$ -

N/A - not rated

Fair value: The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of June 30, 2018:

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:	June 30, 2018		
Mutual funds	\$ 1,635,905	\$ 573,544	\$ 1,062,361
Total investments by fair value level	\$ 1,635,905	\$ 573,544	\$ 1,062,361

Investment custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Credit risk: The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any state or political subdivision or in obligations of the State of Connecticut or political subdivision. The Town has no securities subject to this risk.

Concentration of credit risk: The Town places no limit on the amount invested in any one issuer. No more than 5 percent of the Town's investments were invested in any one issuer in which credit risk was applicable.

Interest rate risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations and agencies explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

Receivables: Receivables by type at year-end for the Town's government-wide financial statements, including the applicable allowances for uncollectible accounts, are as follows:

	General	Rimmon Road Improvement Fund	Nonmajor Governmental Funds	Sewer	Total
Receivables:					
Taxes and interest	\$ 2,098,095	\$ -	\$ -	\$ -	\$ 2,098,095
Accounts and other	32,846	467,772	460,281	-	960,899
Sewer assessment	1,539,059	-	-	921,375	2,460,434
Water assessment	692,341	-	-	-	692,341
Intergovernmental	-	-	123,040	-	123,040
Gross receivables	4,362,341	467,772	583,321	921,375	6,334,809
Less allowance for collection losses	89,935	-	-	92,138	182,073
Net receivables	\$ 4,272,406	\$ 467,772	\$ 583,321	\$ 829,237	\$ 6,152,736

Governmental funds report deferred inflows of resources in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General fund:		
Delinquent property taxes receivable	\$ 1,083,118	\$ -
Delinquent property taxes interest receivable	615,494	-
Sewer and Water assessments receivable	2,231,400	-
Other revenues	-	1,467
Nonmajor governmental fund:		
Various education grants	-	36,462
Other receivables	75,239	-
	\$ 4,005,251	\$ 37,929

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

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

	General Fund	Road Projects	Debt Service	Rimmon Road Improvement Fund	Nonmajor Governmental Funds	Total
Fund balance:						
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 10,651	\$ 10,651
	-	-	-	-	10,651	10,651
Restricted to:						
Education	-	-	-	-	52,267	52,267
Police operations	-	-	-	-	26,480	26,480
Social services	-	-	-	-	123,705	123,705
Capital projects	-	2,284,670	-	-	2,478,539	4,763,209
Environmental purposes and transfer station	-	-	-	-	184,248	184,248
General government activities	-	-	-	-	210,613	210,613
	-	2,284,670	-	-	3,075,852	5,360,522
Committed to:						
Public works	-	-	-	-	26,833	26,833
Public safety	-	-	-	-	415,898	415,898
Education	-	-	-	-	129,741	129,741
Library	-	-	-	-	197,791	197,791
	-	-	-	-	770,263	770,263
Assigned to:						
Debt Service	-	-	2,300,079	-	-	2,300,079
General government various	133,912	-	-	-	-	133,912
Police department	338,140	-	-	-	-	338,140
Parks	2,498	-	-	-	-	2,498
Fire marshall/Fire Dept	52,846	-	-	-	-	52,846
Public works	160,352	-	-	-	-	160,352
Recreation	6,892	-	-	-	-	6,892
Education	176,625	-	-	-	-	176,625
	871,265	-	2,300,079	-	-	3,171,344
Unassigned	1,727,644	-	-	(195,912)	(68,994)	1,462,738
Total fund balances	\$ 2,598,909	\$ 2,284,670	\$ 2,300,079	\$ (195,912)	\$ 3,787,772	\$ 10,775,518

Significant encumbrances at June 30, 2018 are contained in the above table in the assigned category of the General Fund.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,218,873	\$ -	\$ -	\$ 3,218,873
Construction in progress	3,313,168	2,267,996	(2,963,056)	2,618,108
Total capital assets, not being depreciated	6,532,041	2,267,996	(2,963,056)	5,836,981
Capital assets, being depreciated:				
Buildings and improvements	97,653,407	29,337	-	97,682,744
Machinery and equipment	4,314,108	598,194	-	4,912,302
Vehicles	6,665,911	443,092	-	7,109,003
Infrastructure	32,910,768	3,096,940	-	36,007,708
Total capital assets being depreciated	141,544,194	4,167,563	-	145,711,757
Less accumulated depreciation for:				
Buildings and improvements	26,004,460	1,887,047	-	27,891,507
Machinery and equipment	3,232,999	377,212	-	3,610,211
Vehicles	5,267,085	290,362	-	5,557,447
Infrastructure	22,042,317	1,053,093	-	23,095,410
Total accumulated depreciation	56,546,861	3,607,714	-	60,154,575
Total capital assets, being depreciated, net	84,997,333	559,849	-	85,557,182
Governmental activities capital assets, net	\$ 91,529,374	\$ 2,827,845	\$ (2,963,056)	\$ 91,394,163
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 7,195	\$ (7,195)	\$ -
Capital assets, being depreciated:				
Buildings and improvements	\$ 9,458,649	\$ -	\$ -	\$ 9,458,649
Land improvements	222,630	-	-	222,630
Machinery and equipment	9,916,736	30,225	-	9,946,961
Licensed vehicles	479,847	-	-	479,847
Total capital assets, being depreciated	20,077,862	30,225	-	20,108,087
Less accumulated depreciation for:				
Buildings and improvements	5,143,935	176,619	-	5,320,554
Land improvements	222,630	-	-	222,630
Machinery and equipment	8,243,476	314,172	-	8,557,648
Licensed vehicles	479,850	-	-	479,850
Total accumulated depreciation	14,089,891	490,791	-	14,580,682
Business-type activities capital assets, net	\$ 5,987,971	\$ (460,566)	\$ -	\$ 5,527,405

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

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

Governmental activities:	
General government	\$ 36,077
Public works	974,083
Public safety	505,080
Sundry	72,154
Education	2,020,320
Total depreciation expense - governmental activities	<u>\$ 3,607,714</u>
Business-type activities:	
Sewer operating	<u>\$ 490,791</u>

Interfund receivables, payables and transfers: The composition of interfund balances as of June 30, 2018 is as follows:

	Due From Other Funds	Due To Other Funds
General fund	\$ 1,249,036	\$ 128,558
Rimmon Road Improvement Fund	-	795,000
Nonmajor governmental funds and other funds	128,558	454,036
	<u>\$ 1,377,594</u>	<u>\$ 1,377,594</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

A summary of interfund transfers is presented below:

	Transfers in			
	General Fund	Debt Service Fund	Nonmajor and Other Funds	Total
Transfers out:				
General fund	\$ -	\$ 2,300,000	\$ 739,396	\$ 3,039,396
Road projects	-	-	99,841	99,841
Nonmajor and other funds	200,000	-	112,556	312,556
	<u>\$ 200,000</u>	<u>\$ 2,300,000</u>	<u>\$ 951,793</u>	<u>\$ 3,451,793</u>

Interfund transfers from the General Fund are generally used to supplement revenues of other funds as need arises. Transfer from General Fund to Debt Service fund was made to set up the Debt Service Fund for future debt service payments.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

Long-term debt:

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

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 38,930,000	\$ 10,430,000	\$ (12,025,000)	\$ 37,335,000	\$ 1,900,000
Premiums	2,801,606	322,833	(311,554)	2,812,885	301,923
Total bonds payable	41,731,606	10,752,833	(12,336,554)	40,147,885	2,201,923
Notes payable	420,000	-	(105,000)	315,000	105,000
Capital leases	-	496,250	-	496,250	496,250
Compensated absences	3,388,802	398,827	(294,144)	3,493,485	698,697
Total OPEB liability *	41,891,978	-	(230,697)	41,661,281	-
Workers compensation/ dental claims	1,707,673	1,876,432	(1,011,471)	2,572,634	400,000
Net pension liability	4,595,035	-	(1,492,146)	3,102,889	-
Retirement obligations	174,931	-	(44,724)	130,207	40,637
Claims and MERS payable	277,000	-	(91,875)	185,125	40,000
Total governmental activities	\$ 94,187,025	\$ 13,524,342	\$ (15,606,611)	\$ 92,104,756	\$ 3,982,507

* Amounts restated for implementation of GASB No. 75

For the governmental activities, compensated absences, retirement obligations, OPEB, workers compensation claims and claims and other are generally liquidated by the General Fund.

General obligation bonds: The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

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:

Description	Date of Issue	Maturity	Interest Rate (%)	Amount of Original Issue	Annual Principal	Balance Outstanding June 30, 2018
Refunding Bonds	2014	2019	2%-5%	\$ 5,270,000	965,000-1,090,000	\$ 1,570,000
Refunding Bonds issued 2010B	2010	2025	2.0%-5.0%	12,145,000	520,000-945,000	5,830,000
School Bonds issued 2010	2010	2031	2.0%-5.0%	6,000,000	300,000	300,000
Public and School Improvement	2015	2035	1.5%-4.0%	6,160,000	340,000-345,000	4,695,000
Public Improvement issue 2016A	2016	2035	1.5%-4.0%	1,285,000	70,000-350,000	1,285,000
Refunding Bonds issued 2016	2016	2031	2.0%-4.0%	7,225,000	100,000-1,085,000	7,225,000
Public and School Improvement	2017	2037	3.0%-4.0%	6,000,000	330,000-335,000	6,000,000
Refunding Bonds issued 2017	2017	2042	3.0%-4.0%	8,635,000	755,000-2,615,000	8,635,000
Refunding Taxable Bonds issued 2017	2017	2037	3.0%-4.0%	1,795,000	275,000-325,000	1,795,000
Total outstanding						<u>\$ 37,335,000</u>

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

	Governmental Activities	
	Principal	Interest
Years ending June 30:		
2019	\$ 1,900,000	\$ 1,294,870
2020	1,980,000	1,217,889
2021	1,990,000	1,148,781
2022	2,165,000	1,082,916
2023	2,245,000	1,004,651
2024-2028	10,015,000	3,771,024
2029-2033	7,425,000	2,387,456
2034-2038	6,190,000	1,178,838
2039-2042	3,425,000	289,150
	<u>\$ 37,335,000</u>	<u>\$ 13,375,575</u>

Prior year in-substance defeasance: In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. As of June 30, 2018, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements was approximately \$6,460,000.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

2017 General Obligation Refunding Bond- In-Substance Defeasance: On December 27, 2017, the Town issued \$10,430,000 of general obligation Series B and Series C refunding bonds with an average interest rate of 3.65% and 3.26% on the 2017B and 2017C bonds, respectively, of which the proceeds were used to advance refund portions of the outstanding principal amounts of the Series 2011A, Series 2013, and Series 2015 general obligation bonds and 2017 notes of the Town (the Refunded Bonds). Net proceeds of \$10,440,136 (after payment of expenses of \$186,595), was placed in an irrevocable trust under an Escrow Agreement dated December 27, 2017 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption prices of the Refunded Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$463,046 and \$77,609 for the 2017B and 2017C bonds, respectively, and a cash savings of \$571,219 and \$34,865 for the 2017B and 2017C bonds, respectively, between the old debt payments and the new debt payments.

The balance of the defeased bonds was approximately \$9,310,000 at June 30, 2018. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

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

Category	Debt		Balance
	Limitation	Indebtedness	
General purpose	\$ 98,489,655	\$ 14,506,175	\$ 83,983,480
Schools	196,979,310	21,311,665	175,667,645
Sewers	164,149,425	2,229,178	161,920,247
Urban renewal	142,262,835	-	142,262,835
Pension deficit	131,319,540	-	131,319,540

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$306,412,260. All long-term debt obligations are retired through General Fund appropriations. The indebtedness reflected above includes bonds and notes outstanding in addition to the amounts of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

Notes payable: The Town a tax exempt serial notes with Webster Bank issued on May 1, 2013 for \$850,000 with interest rates of 1.75 percent. Annual debt service requirements to maturity for the note is as follows:

Years ending June 30:	Notes Payable	
	Principal	Interest
2019	\$ 105,000	\$ 5,513
2020	105,000	3,675
2021	105,000	1,838
	<u>\$ 315,000</u>	<u>\$ 11,026</u>

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

Bond anticipation notes: The Town uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Bond anticipation note transactions for the year ended June 30, 2018 were as follows:

Outstanding July 1, 2017	\$ 476,000
New borrowings	-
Repayments	(476,000)
Outstanding June 30, 2018	<u>\$ -</u>

Authorized but unissued bonds: The total of authorized but unissued bonds at June 30, 2018 is \$656,607. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Early retirement incentive plan: The Board of Education offers an early retirement incentive plan at least once within a three-year contract period for certified staff (teachers and administrators). The range of compensation is from \$2,000 to \$12,116 per year, per person, for 5 years and is offered to certified staff who have been employed by the Board of Education for at least 12 years. At June 30, 2018, 8 individuals are receiving benefits under this plan through 2019. A liability of \$130,207 is accrued in the government-wide statement of net position.

Deficit fund equity: For the year ended June 30, 2018, the following funds had deficit balances:

Rimmon Road improvement	\$ 195,912
Police private duty	68,994

These amounts will be funded through bonds, contributions and future revenues.

Note 3. Employee Retirement Plans

Defined Benefit Pension Plan:

Plan description: Certain employees of the Town participate in a cost-sharing multiple-employer defined benefit pension plan administered by the State of Connecticut Employees' Retirement System (MERS). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. The plan assets are reported at fair value.

MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit provisions: Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

Average final compensation: Average of the three highest paid years of service.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Normal form of benefit: life annuity.

Service retirement allowance:

Condition for allowance: Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

Amount of allowance: For members not covered by Social Security: 2% of average final compensation times years of service. For members covered by Social Security: 1-1/2% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include Workers Compensation and Social Security benefits. If any member covered by Social Security retires before age 62, his/her benefit until he/she reaches age 62 or receives a Social Security disability award is computed as if he/she were not under Social Security.

Disability retirement allowance:

Condition for allowance: 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the Municipality.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability.

Service connected disability:

Condition for allowance: Totally and permanently disabled from engaging in any gainful employment in the service of the Municipality provided such disability has arisen out of and in the course of his/her employment with the Municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including Worker's Compensation benefits) of 50% of compensation at the time of the disability.

Death benefit:

Condition for benefit: Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

Amount of benefit: Computed on the basis of the member's average final compensation and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Return of deductions: Upon the withdrawal of a member the amount of their accumulated deductions is payable to him/her on demand, with 5% interest from July 1, 1983.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Optional benefits: Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designated by him at the time of his retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

Cost-of-living adjustment: For those retired prior to January 1, 2002: (i) The benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6% yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3% and the maximum is 5%. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5%. For those retiring in or after January 1, 2002, benefits are adjusted each July 1. The adjustment is 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

Contributions by members: For members not covered by Social Security: 5% of compensation. For members covered by the Social Security: 2-1/4% of compensation up to the Social Security taxable wage base plus 5% of compensation, if any, in excess of such base.

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

Assumptions: The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	6/30/2016
Measurement date	6/30/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Investment rate return*	8.00%, net of investment related expense
Projected salary increases*	4.25-11.00%
Social Security Wage Base	3.50%
* Includes inflation at 3.25%	
Mortality	The RP2000 Mortality Table for Annuitants and Non-Annuitants (set forward one year for males and set back one year for females).

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Discount rate: the discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in 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 following presents the Town's proportionate share of the net pension liability of the Town's proportionate share, calculated using the discount rate of 8.00 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net pension liability (asset)	\$ 9,830,293	\$ 3,102,889	\$ (2,552,149)

The long-term expected rate of return: the long-term expected rate of return on pension plan investments was determined using a lognormal 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 most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the Fiduciary of the Plan.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Large cap U.S. equities	16.0%	5.8%
Developed non-U.S. equities	14.0%	6.6%
Emerging markets (non-U.S.)	7.0%	8.3%
Core fixed income	8.0%	1.3%
Inflation linked bond fund	5.0%	1.0%
Emerging market bond	8.0%	3.7%
High yield bonds	14.0%	3.9%
Real estate	7.0%	5.1%
Private equity	10.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	3.0%	0.4%
	<u>100.00%</u>	

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2018, the Town reported a liability of \$3,102,889 for its proportionate share of the net pension liability related to its participation in MERS. The net pension liability was determined by an actuarial valuation as of June 30, 2016, which was projected forward to the measurement date of June 30, 2017, which is date that the net pension liability is calculated. The plan assets were measured at fair value. The Town's proportion of the net pension liability was based on its share of contributions to the MERS for fiscal year 2018 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2018, the Town's proportion was 5.7%. There was no change in proportionate share from the prior year.

For the year ended June 30, 2018, the Town recognized pension expense of \$2,367,633. At June 30, 2018, The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 901,903	\$ -
Difference between expected and actual investment earnings	639,450	-
Change in proportion and differences between Employer Contributions and Proportionate Share of contributions	117,905	(157,000)
Town contributions made subsequent to the measurement date	1,481,189	-
Total	<u>\$ 3,140,447</u>	<u>\$ (157,000)</u>

\$1,481,189 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30:

2019	\$ 542,890
2020	907,717
2021	448,376
2022	(396,725)

Contribution payable: The Town has recorded a contribution payable to the Plan of \$5,125.

Connecticut State Teachers' Retirement System:

Description of system: Certified personnel within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation. The Town has no liability associated with the State Teachers' Retirement System.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System.

For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Town does not have any liability related to the System.

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member 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 is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z. The Town is not required to contribute to the Plan.

Eligible employees are required to contribute 6.0% of their annual salary rate to the System as required by CGS Section 10-183b (7). The estimated covered payroll for the Town is approximately \$16,780,000.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions:

Inflation	2.75 percent
Salary increases, including inflation	3.25-6.50 percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 percent

For healthy retirees and beneficiaries, 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) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

The long-term expected rate of return on pension 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 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 asset class are summarized in the following table:

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

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

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The following presents the State's proportionate share of the net pension liability associated with the Town, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
State's share of NPL associated with the Town	\$ 66,265,587	\$ 52,940,254	\$ 41,674,520

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$52,940,254 and 100% of the collective net pension liability is allocated to the State.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$6,123,641 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to June 30, 2017 to calculate the net pension liability. Since the prior valuation, the State adopted new assumptions based on the 2015 Experience Study. The changes in assumptions are summarized below:

Economic assumptions:

1. Reduce the inflation assumption from 3.00% to 2.75%.
2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%.
4. Slightly modify the merit portion of the salary scale.
5. Reduce the payroll growth assumption from 3.75% to 3.25%.

Demographic assumptions:

6. Update mortality tables to projected versions of the RPH-2014 mortality tables.
7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females.
8. Increase rates of withdrawal.
9. Decrease rates of disability for males.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits

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

Plan description: The Town administers a medical benefit plan (MBP). The MBP is a single-employer defined benefit healthcare plan. The MPB provides medical 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.

Plan administration: The general administration and management of the Town. The plan does not issue separate financial statements.

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

	Medical Benefit Plan
Retired members	95
Spouses of retired members	45
Active plan members	237
Total participants	377

Funding policy: The contribution requirements of plan members and the Town are negotiated with the various unions representing the employees. The Town makes contributions under the pay-as-you-go method. The Town has not accumulated any assets in a fiduciary trust for payment of benefits.

The Town contributes 100 percent of premiums for the following groups:

- Board of Education custodians (retirees and spouse); post age 65, for Medicare supplement only.
- Board of Education secretaries (retiree), pre-age 65, who retire from Seymour Public Schools with at least 30 years of service.
- Board of Education Secretaries (retiree and spouse), post-age 65, who retire from Seymour Public Schools with at least 30 years of service, Medicare supplement only.
- Police (retiree and spouse) pre and post age 65.
- Town Administrators (retiree), pre age 65, if retirement with at least 10 years of service.
- Town Administrators (retiree and spouse), post age 65.
- Town Hall (retiree), pre age 65, if retirement at age 55 with at least 10 years of service.
- Town Hall (retiree and spouse), post age 65.
- Public Works (retiree and spouse), pre age 65, hired prior to July 1, 1994.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

- Public Works (retiree and spouse), post age 65.
- Life insurance for Town administrators, police, Public Works and Town Hall.

Retired plan members and beneficiaries currently receiving benefits that are not fully paid by the Town are required to contribute specified amounts (based on averages) monthly towards the cost of health insurance premiums as follows:

Town employees: Town retirees (pre 65) receiving medical coverage under the plan contribute \$799/month for employee and \$1,195/month for the spouse. Retirees (post 65) receiving medical coverage under the plan contribute \$416/month for each the employee and the spouse. Retirees receiving dental coverage under the plan contribute \$31/month for employee and \$56/month for the spouse.

Board of Education employees: Board of Education retirees (pre 65) receiving medical coverage under the plan contribute \$765/month for employee and \$864/month for the spouse. Retirees (post 65) receiving medical coverage under the plan contribute \$142/month for each the employee and the spouse. Retirees receiving dental coverage under the plan contribute \$31/month for employee and \$50/month for the spouse.

The following is a summary of certain significant actuarial assumptions and other plan information:

	Medical Benefit Plan
Actuarial valuation date	7/1/2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent
Amortization growth	4.00%
Remaining amortization period	21 years, decreasing
Asset valuation method	N/A
Actuarial assumptions:	
Health care cost trend rate	7.69% to 4.40%
Investment rate of return	3.58%
Inflation rate	2.75%
Mortality- Teachers and Administrators	RP-2000 Combined Healthy Mortality Table, projected forward 19 years using Scale AA
Mortality- All Others	RP-2000 Mortality Table, set forward one year for males and set back one year for females.

Total OPEB liability was based on the actuarial valuation as of July 1, 2017, which was projected forward to the measurement date of June 30, 2018.

Total OPEB liability of the Town: The total OPEB liability of the Town at June 30, 2018 was \$41,661,281.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

Discount rate: The discount rate to measure the total OPEB liability was 3.87%. The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Changes in the Total OPEB Liability:

	Increase (Decrease) Total OPEB Liability
Changes in the total OPEB liability:	
Balances at June 30, 2017	\$ 41,891,978
Changes for the year:	
Service cost	1,247,177
Interest	1,521,824
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(1,728,285)
Benefit payments	(1,271,413)
Net changes	(230,697)
Balances at June 30, 2018	\$ 41,661,281

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.87%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total OPEB liability as of June 30, 2018	\$ 48,092,716	\$ 41,661,281	\$ 36,423,535

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

	1% Decrease (6.69% decreasing 3.40%)	Trend Rates (7.69% decreasing to 4.40%)	1% Increase (8.69% decreasing to 5.40%)
Total OPEB liability as of June 30, 2018	\$ 35,731,513	\$ 41,661,281	\$ 49,075,364

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to

OPEB: For the year ended June 30, 2018, the Town recognized OPEB expense of \$2,547,426. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Changes of assumptions	\$ -	\$ (1,506,710)	\$ (1,506,710)
	\$ -	\$ (1,506,710)	\$ (1,506,710)
Years ending June 30:			
2019			\$ (221,575)
2020			(221,575)
2021			(221,575)
2022			(221,575)
2023			(221,575)
Thereafter			(398,835)
			<u>\$ (1,506,710)</u>

Connecticut State Teachers' Retirement System- Retiree Health Insurance 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 Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

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

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

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

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below

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

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

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

Eligibility: Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan.

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

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

Early retirement: 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.

Proratable retirement: Age 60 with 10 years of credited service

Disability retirement: 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

Termination of employment: 10 or more years of Credited Service.

Contributions:

State of Connecticut

Per Connecticut General Statutes Section 10-183t, 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, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	13,626,233
	<u>\$ 13,626,233</u>

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

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$631,508 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

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

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

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.02%).

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

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

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

Town of Seymour, Connecticut

Notes to Financial Statements

Note 5. Risk Management, Commitment and Contingencies

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; 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, 2018.

The Town is partially self-insured for worker's compensation and dental. The Town purchases stop loss insurance for exposures over \$500,000 per incident. The Town estimates a liability for workers' compensation claims payable and for claims incurred but not reported. As of June 30, 2018, this amount was \$2,282,688.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Generally all claims are paid by the General Fund.

Changes in the balances of claims liabilities recorded by the City during the past two years are as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2018	\$ 1,707,673	\$ 1,876,432	\$ 1,011,471	\$ 2,572,634
2017	2,854,921	65,700	1,212,948	1,707,673

Commitment: The Town's Water Pollution Control Authority (WPCA) has contracted with an outside firm to operate its water treatment plant through June 30, 2026. The contract calls for an annual operating cost plus adjustments for the consumer price index and new dwellings added to the system. At June 30, 2018, the base contract commitment is approximately \$1,364,000 per year.

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

Various litigation, principally involving claims for personal injury and contested tax assessment, is pending against the Town. For certain cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the government-wide statement of approximately \$185,000. Based upon the advice of the Town Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 6. Recently Issued GASB Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

The impact of the following accounting pronouncements are currently being assessed by the Town as to the impact to the financial statements. Other recently issued financial statements are not expected to have a material effect to the Town's financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, is effective for reporting periods beginning after June 15, 2018. The statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the statement. The Town is aware of this statement and will assess its impact to ensure timely implementation.

GASB Statement No. 84, *Fiduciary Activities*, is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Town is aware of this statement and will assess its impact to ensure timely implementation.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, defines debt purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash, or other assets in lieu of cash, to settle a fixed amount established at the date of obligation. The statement requires additional information related to debt to be disclosed in the notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and specified terms in debt agreements related to significant events of default and the resulting financial consequences. The statement also requires disclosure be provided for direct borrowings and direct placements of debt separate from other forms of debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

GASB Statement No. 90, *Majority Equity Interests*—an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

**Required Supplementary
Information- *unaudited***

Required Supplementary Information - Unaudited
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis -
Budget and Actual - General Fund
For the Year Ended June 30, 2018

	General Fund			
	Original	Final	Actual Budgetary Basis	Variance With Final Budget
Revenues:				
Property taxes	\$ 43,271,298	\$ 43,271,298	\$ 43,512,335	\$ 241,037
Interest and lien fees	350,000	350,000	354,119	4,119
Intergovernmental	11,373,993	11,373,993	9,451,809	(1,922,184)
Investment income	25,000	25,000	124,817	99,817
Permits, fees and other	1,088,317	1,088,317	1,191,837	103,520
Other	45,000	45,000	45,083	83
Total revenues	56,153,608	56,153,608	54,680,000	(1,473,608)
Expenditures:				
Current:				
General government	2,725,057	2,753,315	2,593,921	159,394
Public safety	5,157,891	5,194,103	5,136,878	57,225
Public works	2,182,525	2,232,525	2,227,260	5,265
Sanitation	1,090,518	1,090,518	1,129,241	(38,723)
Sundry	6,864,271	8,872,762	8,789,695	83,067
Capital Outlay	650,000	656,225	256,225	400,000
Contingency	95,000	38,551	5,392	33,159
Education	32,974,308	32,974,308	32,663,709	310,599
Debt service	4,504,038	6,504,038	5,999,690	504,348
Total expenditures	56,243,608	60,316,345	58,802,011	1,514,334
Revenues over (under) expenditures	(90,000)	(4,162,737)	(4,122,011)	40,726
Other financing sources (uses):				
Transfer in	-	-	200,000	200,000
Unassigned fund balance	90,000	90,000	-	(90,000)
Total financing sources (uses)	90,000	90,000	200,000	110,000
Net decrease in budgetary fund balance	\$ -	\$ (4,072,737)	(3,922,011)	\$ 150,726
Budgetary fund balance, beginning			5,649,655	
Budgetary fund balance, ending			\$ 1,727,644	

See note to required supplementary information.

Schedule of Contributions - Municipal Employees' Retirement System
Required Supplementary Information - *unaudited*
Last Five Fiscal Years

Measurement Period Ended June 30,	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,481,189	\$ 1,436,397	\$ 1,750,607	\$ 1,334,602	\$ 1,103,981
Contribution in relation to the actuarially determined contribution	1,481,189	1,436,397	1,750,607	1,334,602	1,102,981
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Covered Payroll	\$ 11,874,119	\$ 11,357,359	\$ 10,223,171	\$ 10,080,165	\$ 10,080,165
Contributions as a percentage of covered payroll	12.47%	12.65%	17.12%	13.24%	10.95%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

**Schedule of the Town's Proportionate Share of the Net Pension Liability -
Municipal Employees' Retirement System
Required Supplementary Information - *unaudited*
Last Four Fiscal Years**

	2018	2017	2016	2015
Town's proportion of the net pension liability	5.706612%	5.706612%	5.513270%	5.605805%
Town's proportionate share of the net pension liability	<u>\$ 3,102,888</u>	<u>\$ 4,595,035</u>	<u>\$ 2,052,425</u>	<u>\$ 474,167</u>
Town's covered payroll	<u>\$ 11,584,506</u>	<u>\$ 11,357,359</u>	<u>\$ 10,223,171</u>	<u>\$ 10,080,165</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>26.78%</u>	<u>40.46%</u>	<u>20.08%</u>	<u>4.70%</u>
System fiduciary net position as a percentage of the total pension liability	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>92.72%</u>

Note to Schedule

Valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Salary increase	4.25-11.00 percent, including inflation
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	Fair value recognition of investment gains and losses
Assumption changes	None
Benefit changes	None

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available

**Schedule of the Town's Proportionate Share of the Net Pension Liability -
Teachers' Retirement System
Required Supplementary Information - *unaudited*
Last Four Fiscal Years**

	2018	2017	2016	2015
Town's proportion of the net pension liability	0%	0%	0%	0%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	52,940,254	55,852,374	43,706,244	40,397,644
Total	\$ 52,940,254	\$ 55,852,374	\$ 43,706,244	\$ 40,397,644
Town's covered-employee payroll	\$ 16,780,177	\$ 16,173,000	\$ 15,934,000	\$ 15,591,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%
System fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	22.4 years
Asset valuation method	4-year smoothed market
Inflation	3.00 percent
Salary increase	3.25-6.50 percent, including inflation
Investment rate of return	8.00 percent, net of investment related expense

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Required Supplementary Information - unaudited
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios
Last Fiscal Year*

	2018
Changes in Total OPEB Liability	
Total pension liability:	
Service cost	\$ 1,247,177
Interest	1,521,824
Effect of plan changes	-
Effect of economic/demographic gains or (losses)	-
Changes of assumptions	(1,728,285)
Benefit payments, including refunds of member contributions	(1,271,413)
Net change in total OPEB liability	<u>(230,697)</u>
Total OPEB liability, beginning	<u>41,891,978</u>
Total OPEB liability, ending	<u><u>\$ 41,661,281</u></u>
Covered payroll	<u><u>\$ 19,085,936</u></u>
Total OPEB liability as a % of covered payroll	218.28%

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

Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan
Last Fiscal Year*

2018

Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	16,626,233
Total	\$ 16,626,233
Town's covered-employee payroll	\$ 16,780,192
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	<p>The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate</p> <p>Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.</p> <p>As a result of the experience study for the five-year period ended June 30, 2015, the long-term rate of return was lowered from 4.50% to 4.25% to reflect the decrease in the rate of inflation. Similarly, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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

Required Supplementary Information - *Unaudited*
Note to Required Supplementary Information

Note 1. Stewardship, Compliance and Accountability

Budgetary information: The Town follows these procedures in establishing budgetary data reflected in the financial statements.

- All boards seeking appropriations file their budgetary requests with the Town Clerk, no later than February 1st of each year, who then forwards a copy to the Board of Finance. If requests are not filed, the Board of Finance may make its own best estimate of the needed appropriations.
- The Board of Finance files with the Town Clerk, no later than April 1st of each year, such appropriations as it recommends in the form of a proposed budget and proposed tax mill rate.
- If the budget is not approved by the Town Meeting by June 15th, then revenues, debt service and legal obligations last submitted by the Board of Finance shall be considered as the adopted budget for the following fiscal year.
- The Town Meeting process continues on all other items until approved.
- The Board of Finance is responsible for management and monitoring of the budget.
- The Board of Education may transfer unexpended balances from one account to another within its total line appropriation. Other boards may transfer amounts between accounts in their budgets with Board of Finance approval, provided the total line appropriation is not exceeded.
- Boards and departments seeking supplemental appropriations or transfers that exceed the total line appropriation established by the Board of Finance and approved by the Town Meeting action must make written requests to the Board of Selectmen for approval. The Board of Selectmen forwards such requests with its recommendations to the Board of Finance for action. Transfer requests less than \$50,000 require both Boards' approvals. Transfer requests more than \$50,000 per Board/department and aggregate requests of \$50,000 or more per Board/department require both Boards' approval and the approval of the Town Meeting.
- When the Town maintains a Reserve Fund for capital and nonrecurring expenditures in accordance with its Charter and/or Connecticut General Statutes, payments into and appropriations from the Reserve Fund shall be made only upon recommendations of the Board of Selectmen, Board of Finance and Town Meeting action regardless of the amount involved.
- The Board of Finance shall pass onto a special Town Meeting for fiscal action supplemental appropriations exceeding \$50,000 and supplemental appropriations of less than \$50,000 if, when added to supplemental appropriations previously approved in the current fiscal year, exceed \$50,000.
- Encumbrances are recognized as a valid and proper charge against budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.
- Unencumbered appropriations generally lapse at year-end.
- For budgetary purposes, the Town treats encumbrances as expenditures.
- Additional appropriations of \$4,070,000 were made during fiscal year ended June 30, 2018.

Required Supplementary Information - *Unaudited*
Note to Required Supplementary Information

Note 1. Stewardship, Compliance and Accountability (Continued)

As explained above, the Town's budgetary fund structure accounts for certain transactions differently from that utilized in reporting in conformity with GAAP. A reconciliation of revenues, expenditures and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
Balance, budgetary basis	\$ 54,880,000	\$ 58,802,011	\$ 1,727,644
Encumbrances outstanding at June 30, 2017, liquidated during the year ended June 30, 2018	-	1,530,654	-
Encumbrances outstanding at June 30, 2018, charged to budgetary expenditures during the year ended June 30, 2018	-	(871,265)	871,265
Gross-up of Police Private Duty	53,281	53,281	-
State teachers' retirement on-behalf payment for pension and OPEB	6,755,149	6,755,149	-
Balance, GAAP basis	<u>\$ 61,688,430</u>	<u>\$ 66,269,830</u>	<u>\$ 2,598,909</u>

**Combining and Individual
Fund Financial Statements and Other Schedules**

General Fund

General Fund

The General Fund is used to account for resources traditionally associated with the Town which are not required legally or by sound financial management to be accounted for in another fund.

Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2018

	General Fund			
	Original	Final	Actual Budgetary Basis	Variance With Final Budget
Revenues:				
Property taxes	\$ 43,271,298	\$ 43,271,298	\$ 43,512,335	\$ 241,037
Interest and lien fees	350,000	350,000	354,119	4,119
Intergovernmental:				
Education:				
Education Tuition	-	-	12,298	12,298
Education Services	-	-	22,003	22,003
Education Block Grant	10,128,492	10,128,492	8,638,755	(1,489,737)
Total education	10,128,492	10,128,492	8,673,056	(1,455,436)
Other:				
State provided highway (Town Aid Road)	296,883	296,883	296,299	(584)
Enterprise Zone program	5,000	5,000	-	(5,000)
Mashantucket Pequot fund	67,844	67,844	67,640	(204)
Municipal Revenue Sharing	418,388	418,388	70,834	(347,554)
State distribution of a telephone tax	30,000	30,000	24,382	(5,618)
Circuit Breaker program	120,000	120,000	-	(120,000)
Judicial fines	3,000	3,000	5,235	2,235
Grants for Municipal Projects	281,186	281,186	281,186	-
Pilot Program- Smith/Ray House	-	-	13,920	13,920
Veterans exemption	20,000	20,000	16,812	(3,188)
Disabled exemption	3,200	3,200	2,445	(755)
Total other	1,245,501	1,245,501	778,753	(466,748)
Total intergovernmental	11,373,993	11,373,993	9,451,809	(1,922,184)
Permits, fees and other:				
Parking stickers	3,200	3,200	2,750	(450)
Unbudgeted income insurance	-	-	1,062	1,062
Pistol permits	10,000	10,000	7,420	(2,580)
Raffle permits	-	-	235	235
Fire Marshall permits and fees	3,000	3,000	2,260	(740)
Parking fines	6,500	6,500	5,100	(1,400)
Ordinance fines	100	100	99	(1)
Police reports	1,000	1,000	1,205	205
Building inspector	120,000	120,000	126,262	6,262
Miscellaneous	5,250	5,250	7,509	2,259
Real estate conveyance tax	125,000	125,000	159,649	34,649
Recreation and Senior Activities	122,867	122,867	124,238	1,371
Inland Wetlands	3,000	3,000	25,400	22,400
Revenue from recycling	10,000	10,000	11,328	1,328
Dept. of Public Works	1,000	1,000	6,774	5,774

(Continued)

Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis (Continued)
General Fund
For the Year Ended June 30, 2018

	General Fund			
	Original	Final	Actual Budgetary Basis	Variance With Final Budget
Permits, fees and other (Continued):				
Commercial transfer station	\$ 35,000	\$ 35,000	\$ 38,999	\$ 3,999
Residential transfer station	12,500	12,500	19,307	6,807
Town Clerk	130,000	130,000	126,342	(3,658)
Zoning Board of Appeals	1,000	1,000	465	(535)
Planning and Zoning	10,000	10,000	9,748	(252)
Sewer assessments	295,000	295,000	275,845	(19,155)
Water assessments	150,000	150,000	192,796	42,796
Water assessment interest	16,000	16,000	26,290	10,290
Valley Health District - Rent	17,500	17,500	16,844	(656)
Town Clerk - WPCA liens	6,500	6,500	-	(6,500)
Boys and girls club - Rent	3,900	3,900	3,910	10
Total permits, fees and other	1,088,317	1,088,317	1,191,837	103,520
Interest and dividends:				
Interest General Fund	25,000	25,000	124,817	99,817
Total interest and dividends	25,000	25,000	124,817	99,817
Other:				
Sale of surplus property	-	-	83	83
Police administration fees	45,000	45,000	45,000	-
Total other	45,000	45,000	45,083	83
Other financing sources:				
Transfer in	-	-	200,000	200,000
Use of fund balance	90,000	90,000	-	(90,000)
Total other financing sources	90,000	90,000	200,000	110,000
Total revenues and other financing sources	\$ 56,243,608	\$ 56,243,608	\$ 54,880,000	\$ (1,363,608)

Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2018

	Budgeted Amount		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
General Government:				
Planning & Zoning	\$ 27,343	\$ 27,343	\$ 27,343	\$ -
Board of Finance	71,341	71,341	71,341	-
Town Meetings Public Hearings	4,200	4,200	4,197	3
Probate Court	17,000	17,000	16,963	37
Selectmen's Office	283,189	283,189	225,271	57,918
Economic Development	79,787	79,787	59,993	19,794
Economic Development Commission	2,500	2,500	2,500	-
Downtown committee	-	-	-	-
Registrars of Voters	78,500	78,500	50,542	27,958
Finance Department	280,698	280,698	280,670	28
Tax Collector	165,012	165,012	160,647	4,365
Town Treasurer	5,200	5,200	5,200	-
Assessors Office	185,715	185,715	184,568	1,147
Board of Assessment Appeals	150	150	150	-
Town Counsel	300,000	300,000	300,000	-
Town Clerk	210,673	210,673	180,929	29,744
Printing & Legal Ads	15,000	15,000	14,991	9
Conservation Protection Agency	4,625	4,625	4,430	195
Inland/Wetland	16,700	16,700	16,375	325
Board of Zoning Appeals	800	800	800	-
Town Planner	37,935	37,935	20,233	17,702
Town Computers	144,716	175,016	175,016	-
Town Buildings	528,402	526,360	526,191	169
Town Engineer	107,840	107,840	107,840	-
Office of Compliance	107,731	107,731	107,731	-
Senior citizens freeze	50,000	50,000	50,000	-
Total general government	2,725,057	2,753,315	2,593,921	159,394
Public Safety:				
Police Department	4,267,059	4,309,496	4,277,310	32,186
Communication Commission	182,179	182,179	182,175	4
Emergency Management	27,260	25,035	23,595	1,440
Blight Officer	9,500	9,500	9,500	-
EMS Commission	200	200	50	150
Seymour Ambulance	77,713	77,713	77,566	147
Valley Emergency Medical Services	31,827	31,827	31,827	-
Lake Authority	19,940	19,940	19,940	-
Fire Department	408,870	404,870	382,886	21,984
Fire Marshal	133,343	133,343	132,029	1,314
Total public safety	5,157,891	5,194,103	5,136,878	57,225
Public Works:				
Highway wages/maintenance	1,830,125	1,880,125	1,877,604	2,521
Street lighting	75,000	75,000	75,000	-
Highway materials	120,000	120,000	120,000	-
Parks	157,400	157,400	154,656	2,744
Total public works	2,182,525	2,232,525	2,227,260	5,265

Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis (Continued)
General Fund
For the Year Ended June 30, 2018

	Budgeted Amount		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
Sanitation:				
Waste collection	\$ 101,976	\$ 101,976	\$ 101,511	\$ 465
Sanitation	988,542	988,542	1,027,730	(39,188)
Total sanitation	1,090,518	1,090,518	1,129,241	(38,723)
Sundry:				
Valley Health Department	112,855	112,855	112,855	-
Dog Warden Canine Office	73,750	73,750	73,750	-
Town Health Contributions	14,907	14,907	14,907	-
Town Insurance	1,645,125	3,645,125	3,645,125	-
Town Contributions	29,350	29,350	29,350	-
Water - Fire Hydrants	374,611	374,611	374,611	-
Services to the Elderly	150,363	152,276	137,997	14,279
Recreation Commission	259,571	264,107	233,815	30,292
Culture & Arts Commission	20,600	20,600	15,515	5,085
Recreation Program Contributions	43,000	43,000	43,000	-
Library	377,140	377,140	361,827	15,313
Valley Council of Governments	6,804	6,804	6,804	-
Personnel benefits	3,756,195	3,758,237	3,740,139	18,098
Total sundry	6,864,271	8,872,762	8,789,695	83,067
Capital Non-Recurring	650,000	656,225	256,225	400,000
Town Contingency	95,000	38,551	5,392	33,159
Debt Service	4,504,038	6,504,038	5,999,690	504,348
Education	32,974,308	32,974,308	32,663,709	310,599
Total expenditures and other financing uses	\$ 56,243,608	\$ 60,316,345	\$ 58,802,011	\$ 1,514,334

Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

LOCIP Fund

To account for projects funded through the State Local Capital Improvement Program and General Fund matching appropriations.

Open Space

To account for funds restricted to the acquisition and maintenance of Public spaces.

EDC Grants

To account for Federal and State grants and General Fund appropriations restricted for the reconstruction of Rimmon Road.

Small Cities

To account for housing rehabilitation program for income eligible families.

HUD Small Cities Grant Fund

To account for funds received and disbursed under the State Department of Housing.

Dog Fund

To account for funds provided by the sale of dog licenses, sale of stray dogs and various fines levied against owners of stray dogs, as well as General Fund appropriations.

Library Fund

To account for fines, donations and fees received for Library operations.

Education Grants Fund

To account for education related programs that are funded through State and Federal Grants.

School Lunch Fund

To account for the operations of the School Lunch Program. Financing is provided by the students and teachers as well as reimbursement from State and Federal governments.

Police Seizure Fund

To account for funds received through police seizures.

Chatfield Subdivision Fund

To account for the completion of roads with the Chatfield subdivision.

Grants and Donations Fund

To account for various small grants and donations restricted to specific projects. The main resource for these grants is the Katharine Matthies Foundation.

Strand Theater Fund

To account for the Strand Theater's operating expenses and ticket sales.

Eversource Energy Community Grant Fund

To account for grant received to encourage home owners to invest in sustainable energy projects.

Community Policing Fund

To account for the donations made to the police department.

Special Revenue Funds (Continued)

Ambulance Fund

To account for Ambulance funds designated for specific capital expenditures.

Private Duty

To account for police private duty activity, including paying wages, invoicing for services and invoice collections.

Greenway Trail Fund

To account for the amounts restricted to state grant requirements.

Building Maintenance

To account for Town Building repairs as determined by the 1st Selectman.

BRRFOC Fund

To account for Board of Selectman designated environmental purposes and transfer station improvements.

Downtown Revitalization

To account for funds to be spent on Downtown revitalization.

Capital Projects Fund

Capital Projects

To account for 2017-2018 capital plan approved by Board of Selectman and financed through a 3 year general fund appropriation borrowing.

Underground Gas and Oil Tanks

To account for appropriations to fund the cost of repairing and replacing old underground gas and oil tanks and financed through general fund appropriation.

Building Improvement Fund

To account for an appropriation and borrowing authorization totaling \$1,500,000 to fund the cost of repairing Town buildings approved by the voters of the Town at a referendum held on November 8, 2016.

Chatfield LoPresti Building Fund

To account for an appropriation and borrowing authorization totaling \$32,500,000 to fund the cost of renovation to Paul E. Chatfield School approved by the voters of the Town at a referendum held on October 7, 2008.

This page intentionally left blank.

Town of Seymour, Connecticut

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

	Special Revenue Funds			
	LOCIP	Open Space	EDC Grants	Small Cities Fund
Assets				
Cash	\$ 127,939	\$ 26,833	\$ 11,688	\$ -
Investments	-	-	-	-
Receivables:				
Accounts and other	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	36,982	-	-	-
Inventory	-	-	-	-
Total assets	\$ 164,921	\$ 26,833	\$ 11,688	\$ -
Liabilities				
Accounts and other payables/due to State	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances (deficits):				
Nonspendable	-	-	-	-
Restricted	164,921	-	11,688	-
Committed	-	26,833	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	164,921	26,833	11,688	-
Total liabilities, deferred inflows of of resources and fund balances (deficits)	\$ 164,921	\$ 26,833	\$ 11,688	\$ -

Exhibit B-1

Special Revenue Funds						
HUD Small Cities Grant Fund	Dog Fund	Library Fund	Education Grants Fund	School Lunch Fund	Police Seizure Fund	Chatfield Subdivision Road
\$ 123,705	\$ 12,137	\$ 61,916	\$ 98,076	\$ 71,834	\$ 26,480	\$ -
-	-	135,875	-	-	-	-
-	-	-	-	-	-	-
-	-	-	43,162	79,878	-	-
-	-	-	-	-	-	-
-	-	-	-	10,651	-	-
<u>\$ 123,705</u>	<u>\$ 12,137</u>	<u>\$ 197,791</u>	<u>\$ 141,238</u>	<u>\$ 162,363</u>	<u>\$ 26,480</u>	<u>\$ -</u>
\$ -	\$ 3,841	\$ -	\$ 52,509	\$ 21,971	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	36,462	-	-	-
-	3,841	-	88,971	21,971	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	10,651	-	-
123,705	-	-	52,267	-	26,480	-
-	8,296	197,791	-	129,741	-	-
-	-	-	-	-	-	-
<u>123,705</u>	<u>8,296</u>	<u>197,791</u>	<u>52,267</u>	<u>140,392</u>	<u>26,480</u>	<u>-</u>
<u>\$ 123,705</u>	<u>\$ 12,137</u>	<u>\$ 197,791</u>	<u>\$ 141,238</u>	<u>\$ 162,363</u>	<u>\$ 26,480</u>	<u>\$ -</u>

(Continued)

Town of Seymour, Connecticut

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds				
	Grants and Donations Fund	Strand Theater Fund	Eversource Energy Community Grant Fund	Community Policing Fund	Ambulance Fund
Assets					
Cash	\$ 205,757	\$ -	\$ 10,000	\$ 174,405	\$ 61,693
Investments	-	-	-	-	-
Receivables:					
Accounts and other	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	4,856	-	-	-	-
Inventory	-	-	-	-	-
Total assets	\$ 210,613	\$ -	\$ 10,000	\$ 174,405	\$ 61,693
Liabilities					
Accounts and other payables/due to State	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances (deficits):					
Nonspendable	-	-	-	-	-
Restricted	210,613	-	-	-	-
Committed	-	-	10,000	174,405	61,693
Unassigned	-	-	-	-	-
Total fund balances (deficits)	210,613	-	10,000	174,405	61,693
Total liabilities, deferred inflows of of resources and fund balances (deficits)	\$ 210,613	\$ -	\$ 10,000	\$ 174,405	\$ 61,693

Exhibit B-1

Special Revenue Funds					Capital Project Funds	
Private Duty	Greenway Trail Fund	Building Maintenance	BRRFOC Fund	Downtown Revitalization	Capital Projects	Underground Gas and Oil Tanks Fund
\$ -	\$ 18,406	\$ 155,640	\$ 184,248	\$ 5,864	\$ 342,164	\$ -
-	-	-	-	-	-	-
460,281	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	48,120
-	-	-	-	-	-	-
<u>\$ 460,281</u>	<u>\$ 18,406</u>	<u>\$ 155,640</u>	<u>\$ 184,248</u>	<u>\$ 5,864</u>	<u>\$ 342,164</u>	<u>\$ 48,120</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
454,036	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>454,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
75,239	-	-	-	-	-	-
<u>75,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	18,406	-	184,248	-	342,164	48,120
-	-	155,640	-	5,864	-	-
(68,994)	-	-	-	-	-	-
<u>(68,994)</u>	<u>18,406</u>	<u>155,640</u>	<u>184,248</u>	<u>5,864</u>	<u>342,164</u>	<u>48,120</u>
<u>\$ 460,281</u>	<u>\$ 18,406</u>	<u>\$ 155,640</u>	<u>\$ 184,248</u>	<u>\$ 5,864</u>	<u>\$ 342,164</u>	<u>\$ 48,120</u>

(Continued)

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2018

	Capital Projects Funds		
	Building Improvement Fund	Chatfield LoPresti Building Fund	Totals
Assets			
Cash	\$ 1,429,024	\$ 483,074	\$ 3,630,883
Investments	-	-	135,875
Receivables:			
Accounts and other	-	-	460,281
Due from other governments	-	-	123,040
Due from other funds	4,100	34,500	128,558
Inventory	-	-	10,651
Total assets	\$ 1,433,124	\$ 517,574	\$ 4,489,288
Liabilities			
Accounts and other payables/due to State	\$ 57,458	\$ -	\$ 135,779
Due to other funds	-	-	454,036
Unearned revenue	-	-	36,462
Total liabilities	57,458	-	626,277
Deferred inflows of resources:			
Unavailable revenues	-	-	75,239
Total deferred inflows of resources	-	-	75,239
Fund balances (deficits):			
Nonspendable	-	-	10,651
Restricted	1,375,666	517,574	3,075,852
Committed	-	-	770,263
Unassigned	-	-	(68,994)
Total fund balances (deficits)	1,375,666	517,574	3,787,772
Total liabilities, deferred inflows of of resources and fund balances (deficits)	\$ 1,433,124	\$ 517,574	\$ 4,489,288

This page intentionally left blank.

Town of Seymour, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018**

	Special Revenue Funds			
	LOCIP	Open Space	EDC Grants	Skate Park Fund
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 172,881	\$ 58,480
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	172,881	58,480
Expenditures:				
Current:				
General government	1,372	2,770	49,840	58,480
Public safety	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,372	2,770	49,840	58,480
Revenue over (under) expenditures	(1,372)	(2,770)	123,041	-
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Transfers in	36,982	-	20,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	36,982	-	20,000	-
Net change in fund balances (deficits)	35,610	(2,770)	143,041	-
Fund balance (deficit), beginning of year	129,311	29,603	(131,353)	-
Fund balance (deficit), end of year	\$ 164,921	\$ 26,833	\$ 11,688	\$ -

Exhibit B-2

Special Revenue Funds						
HUD Small Cities Grant Fund	Dog Fund	Library Fund	Education Grants Fund	School Lunch Fund	Police Seizure Fund	Chatfield Subdivision Road
\$ -	\$ -	\$ -	\$ 2,149,038	\$ 443,570	\$ 6,165	\$ -
-	5,992	-	-	570,978	-	-
-	-	1,600	-	-	5	-
-	-	120,995	-	-	10,969	-
-	5,992	122,595	2,149,038	1,014,548	17,139	-
-	-	106,884	-	-	-	-
-	7,990	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,155,123	1,028,669	40	-
-	-	-	-	-	-	-
-	-	-	-	-	-	26,262
-	7,990	106,884	2,155,123	1,028,669	40	26,262
-	(1,998)	15,711	(6,085)	(14,121)	17,099	(26,262)
-	-	-	-	-	-	-
-	10,385	-	-	-	-	-
-	-	-	-	-	-	-
-	10,385	-	-	-	-	-
-	8,387	15,711	(6,085)	(14,121)	17,099	(26,262)
123,705	(91)	182,080	58,352	154,513	9,381	26,262
\$ 123,705	\$ 8,296	\$ 197,791	\$ 52,267	\$ 140,392	\$ 26,480	\$ -

(Continued)

Town of Seymour, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds				
	Grants and Donations Fund	Strand Theater Fund	Eversource Energy Community Grant Fund	Community Policing Fund	Ambulance Fund
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 51,568	\$ -
Charges for services	19,102	-	-	-	-
Investment income	-	-	-	271	-
Other	125,090	-	10,000	10,224	-
Total revenues	144,192	-	10,000	62,063	-
Expenditures:					
Current:					
General government	108,743	1	-	-	-
Public safety	-	-	-	19,633	125
Public works	2,690	-	-	-	-
Education	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	111,433	1	-	19,633	125
Revenue over (under) expenditures	32,759	(1)	10,000	42,430	(125)
Other financing sources (uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances (deficits)	32,759	(1)	10,000	42,430	(125)
Fund balance (deficit), beginning of year	177,854	1	-	131,975	61,818
Fund balance (deficit), end of year	\$ 210,613	\$ -	\$ 10,000	\$ 174,405	\$ 61,693

Exhibit B-2

Special Revenue Funds					Capital Projects Funds	
Private Duty	Greenway Trail Fund	Building Maintenance	BRRFOC Fund	Downtown Revitalization	Capital Projects	Underground Gas and Oil Tanks Fund
\$ -	\$ 597,435	\$ -	\$ -	\$ -	\$ -	\$ -
977,541	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	9,959	-
977,541	597,435	-	-	-	9,959	-
-	(3)	-	2,012	16,663	14,382	-
1,078,620	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	500	-
-	476,214	32,315	133,794	-	210,822	-
1,078,620	476,211	32,315	135,806	16,663	225,704	-
(101,079)	121,224	(32,315)	(135,806)	(16,663)	(215,745)	-
-	-	-	-	-	-	-
130,560	20,000	99,750	-	35,000	312,556	48,120
-	-	-	-	-	(12,556)	-
130,560	20,000	99,750	-	35,000	300,000	48,120
29,481	141,224	67,435	(135,806)	18,337	84,255	48,120
(98,475)	(122,818)	88,205	320,054	(12,473)	257,909	-
\$ (68,994)	\$ 18,406	\$ 155,640	\$ 184,248	\$ 5,864	\$ 342,164	\$ 48,120

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Capital Project Funds		
	Building Improvement Fund	Chatfield LoPresti Building Fund	Totals
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 3,479,137
Charges for services	-	-	1,573,613
Investment income	626	-	2,502
Other	-	239,792	527,029
Total revenues	626	239,792	5,582,281
Expenditures:			
Current:			
General government	57,458	-	418,602
Public safety	-	-	1,106,368
Public works	-	-	2,690
Education	-	-	3,183,832
Interest and other charges	-	470,004	470,504
Capital outlay	71,602	-	951,009
Total expenditures	129,060	470,004	6,133,005
Revenue over (under) expenditures	(128,434)	(230,212)	(550,724)
Other financing sources (uses):			
Issuance of bonds	-	476,000	476,000
Transfers in	4,100	234,340	951,793
Transfers out	-	(300,000)	(312,556)
Total other financing sources (uses)	4,100	410,340	1,115,237
Net change in fund balances (deficits)	(124,334)	180,128	564,513
Fund balance (deficit), beginning of year	1,500,000	337,446	3,223,259
Fund balance (deficit), end of year	\$ 1,375,666	\$ 517,574	\$ 3,787,772

Fiduciary Funds

Fiduciary Funds

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Pension Trusts and Agency Funds.

Private Purpose Trust Funds

Private Purpose Trust Funds are used to account for resource legally held in trust for the benefit of individuals, private organizations or other governments. The Town's Private Purpose Trust Funds are listed below:

Harold K Beach Fund: to account for funds held for Library purchases of historical works concerning the State of Connecticut and the Naugatuck Valley.

Charles B. Wooster Fund: to account for funds held in trust for the Library operations.

Richard R. Pearson Memorial Fund: to account for funds collected for Seymour veterans.

Agency Funds

Agency funds are custodial in nature (assets equal liabilities). The Town's Agency Fund is listed below:

Student Activities: accounts for the various student activities and clubs.

Combining Statement of Net Position - Private Purpose Trust Funds
June 30, 2018

	Private Purpose Trust Funds			
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	Totals
Assets				
Cash	\$ 5,458	25,094	\$ 240	\$ 30,792
Investments	-	1,590,620	-	1,590,620
Total assets	<u>5,458</u>	<u>1,615,714</u>	<u>240</u>	<u>1,621,412</u>
 Net position held in trust	 \$ 5,458	 \$ 1,615,714	 \$ 240	 \$ 1,621,412

Combining Statement of Changes in Net Position - Private Purpose Trust Funds
For the Year Ended June 30, 2018

	Private Purpose Trust Funds			
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	Totals
Additions:				
Interest and dividends	\$ -	\$ 146,915	\$ -	\$ 146,915
Other	-	-	2,170	2,170
Net additions	-	146,915	2,170	149,085
Deductions:				
Education	-	89,616	-	89,616
General government	-	-	2,600	2,600
Total deductions	-	89,616	2,600	92,216
Change in net position	-	57,299	(430)	56,869
Net position, beginning of Year	5,458	1,558,415	670	1,564,543
Net position, end of year	\$ 5,458	\$ 1,615,714	\$ 240	\$ 1,621,412

Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Student Activity Fund				
Assets				
Cash	\$ 108,094	\$ 521,508	\$ 506,204	\$ 123,398
Total assets	\$ 108,094	\$ 521,508	\$ 506,204	\$ 123,398
Liabilities				
Due to others	\$ 108,094	\$ 521,508	\$ 506,204	\$ 123,398
Total liabilities	\$ 108,094	\$ 521,508	\$ 506,204	\$ 123,398

This page intentionally left blank.

Other Schedules

This page intentionally left blank.

Town of Seymour, Connecticut

Report of Tax Collector

For the Year Ended June 30, 2018

Grand List Year	Uncollected Taxes July 1, 2017		Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible					
				Additions	Deletions							
2002	\$	13,022	\$	-	\$	3,750	\$	-	\$	9,272		
2003		14,329		-		-		-		14,329		
2004		18,859		-		-		-		18,859		
2005		14,057		-		-		-		14,057		
2006		17,657		-		-		-		17,657		
2007		18,159		-		-		-		18,159		
2008		11,759		-		-		6		11,753		
2009		18,512		-		-		40		18,472		
2010		22,943		-		-		-		22,943		
2011		43,500		-	11	11		-		43,500		
2012		56,476		-	100	213		121		56,242		
2013		129,801		-	1,421	977		1,157		129,088		
2014		279,587		-	17,116	1,934		1,019		293,750		
2015		692,157		-	30,791	11,251		1,928		709,769		
Total Prior Years		1,350,818		-	49,439	18,136		4,271		1,377,850		
2016		-		43,591,294	93,735	154,101		10,022		43,520,906		
	\$	1,350,818	\$	43,591,294	\$	143,174	\$	172,237	\$	14,293	\$	44,898,756

Exhibit D-1

Collections			Unpaid Refunds	Balance Uncollected June 30, 2018
Taxes	Interest and Lien Fees	Total		
\$ 479	\$ 1,565	\$ 2,044	\$ -	\$ 8,793
203	397	600	-	14,126
149	377	526	-	18,710
31	78	109	-	14,026
256	683	939	-	17,401
822	1,801	2,623	-	17,337
197	335	532	-	11,556
452	733	1,185	-	18,020
3,417	1,996	5,413	-	19,526
5,859	6,067	11,926	-	37,641
10,021	10,844	20,865	-	46,221
49,980	22,367	72,347	-	79,108
152,211	68,541	220,752	138	141,401
440,716	95,128	535,844	739	268,314
664,793	210,912	875,705	877	712,180
42,751,361	146,115	42,897,476	6,079	763,466
\$ 43,416,154	\$ 357,027	\$ 43,773,181	\$ 6,956	\$ 1,475,646

This page intentionally left blank.

Statistical Section

Statistical Section - Unaudited

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

Statistical section information is presented in the following categories:

Financial trends information is intended to assist users in understanding and assessing how financial position has changed over time.

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).

Debt capacity information is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.

Demographic and economic information is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating information is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

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

This page intentionally left blank.

Town of Seymour, Connecticut

**Net Position By Component
Last Ten Fiscal Years - *unaudited*
(Accrual Basis of Accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities:					
Net investment in capital assets	\$ 38,089,381	\$ 34,250,118	\$ 38,478,505	\$ 52,434,673	\$ 49,963,287
Restricted	1,000	1,000	1,000	1,000	1,000
Unrestricted	1,849,645	2,453,530	2,000,835	1,868,095	2,453,530
Total governmental activities net position	39,940,026	36,704,648	40,480,340	54,303,768	52,417,817
Business-type activities:					
Net investment in capital assets	7,013,497	7,261,720	7,493,723	7,763,588	7,510,142
Restricted	-	-	-	-	-
Unrestricted	1,173,025	993,190	854,393	953,793	1,149,123
Total business-type activities net position	8,186,522	8,254,910	8,348,116	8,717,381	8,659,265
Primary government:					
Net investment in capital assets	45,102,878	41,511,838	45,972,228	60,198,261	57,473,429
Restricted	1,000	1,000	1,000	1,000	1,000
Unrestricted	3,022,670	3,446,720	2,855,228	2,821,888	3,602,653
Total primary government net position	\$ 48,126,548	\$ 44,959,558	\$ 48,828,456	\$ 63,021,149	\$ 61,077,082

Table 1

Fiscal Year				
2014	2015	2016	2017	2018
\$ 57,321,414	\$ 62,197,985	\$ 58,219,654	\$ 55,869,110	\$ 55,859,612
1,000	1,000	-	-	1,338,695
(2,560,828)	(12,915,975)	(7,412,603)	(5,322,799)	(39,081,180)
54,761,586	49,283,010	50,807,051	50,546,311	18,117,127
7,256,192	6,841,338	6,396,564	5,987,971	5,527,405
-	-	-	-	-
1,273,837	1,446,211	1,826,291	2,357,706	2,252,749
8,530,029	8,287,549	8,222,855	8,345,677	7,780,154
64,577,606	69,039,323	64,616,218	61,857,081	61,387,017
1,000	1,000	-	-	1,338,695
(1,286,991)	(11,469,764)	(5,586,312)	(2,965,093)	(36,828,431)
\$ 63,291,615	\$ 57,570,559	\$ 59,029,906	\$ 58,891,988	\$ 25,897,281

Town of Seymour, Connecticut

**Changes in Net Position
Last Ten Fiscal Years - *unaudited*
(Accrual Basis of Accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Expenses:					
Governmental activities:					
General government	\$ 4,932,835	\$ 3,318,654	\$ 3,262,683	\$ 3,212,595	\$ 3,496,359
Education	35,397,098	33,273,139	36,604,217	38,517,530	37,366,413
Public safety	7,182,018	6,017,066	6,884,401	7,149,115	7,418,542
Sanitation	1,249,160	1,241,916	1,232,394	1,254,771	1,253,537
Public works	3,691,414	3,439,030	3,953,978	4,837,758	4,100,306
Recreation, arts and cultural	2,549,155	2,407,071	2,406,095	2,428,925	2,638,434
Interest on debt	1,301,372	1,338,547	1,765,127	1,453,677	1,479,775
Total governmental activities expenses	56,303,052	51,035,423	56,108,895	58,854,371	57,753,366
Business-type activities:					
Water Pollution Control Authority	2,196,246	1,224,509	2,019,950	1,975,932	1,883,814
Total business-type activities expenses	2,196,246	1,224,509	2,019,950	1,975,932	1,883,814
Total primary government expenses	58,499,298	52,259,932	58,128,845	60,830,303	59,637,180
Program revenue:					
Governmental activities:					
General government	821,701	617,231	602,400	785,909	712,525
Education	747,847	786,750	1,152,045	660,423	618,268
Public safety	45,492	52,779	47,128	36,695	69,383
Sanitation	16,667	15,625	18,900	21,359	18,442
Public works	370	5,645	478,103	316,164	480,613
Recreation, arts and cultural	255,363	132,227	8,470	3,680	23,511
Project activities:					
Operating grants and contributions	14,856,851	14,167,110	14,547,813	31,885,437	19,259,974
Capital grants and contributions	1,597,043	750,009	481,261	117,907	187,538
Total governmental activities program revenue	18,341,334	16,527,376	17,336,120	33,827,574	21,370,254

Table 2

Fiscal Year				
2014	2015	2016	2017	2018
\$ 3,486,981	\$ 3,262,778	\$ 3,721,928	\$ 4,929,550	\$ 4,634,906
40,937,310	40,948,360	42,382,760	44,019,109	45,883,561
8,072,815	10,198,076	7,822,574	7,206,132	9,975,081
1,271,893	1,216,348	1,070,523	1,284,965	1,338,666
4,182,171	5,001,254	8,209,668	5,635,329	7,539,214
2,704,796	2,653,140	2,735,696	2,865,551	1,057,717
1,601,667	1,097,273	1,090,823	1,671,853	1,439,037
62,257,633	64,377,229	67,033,972	67,612,489	71,868,182
1,916,033	2,126,247	2,003,639	1,885,395	2,615,147
1,916,033	2,126,247	2,003,639	1,885,395	2,615,147
64,173,666	66,503,476	69,037,611	69,497,884	74,483,329
491,837	542,214	577,333	493,404	517,065
645,753	567,948	563,242	576,815	570,978
92,630	528,754	811,596	609,794	1,100,546
-	-	-	-	-
399,291	108,897	1,220	745,993	675,141
-	-	-	-	-
17,873,293	18,213,129	17,377,646	20,837,024	19,164,670
172,057	676,082	2,027,554	132,446	1,790,004
19,674,861	20,637,024	21,358,591	23,395,476	23,818,404

(Continued)

Town of Seymour, Connecticut

**Changes in Net Position, Continued
Last Ten Fiscal Years - *unaudited*
(Accrual Basis of Accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Business-type activities:					
Charges for services:					
Water Pollution Control Authority	\$ 1,220,360	\$ 1,224,509	\$ 1,299,865	\$ 1,631,837	\$ 1,545,668
Total business-type activities					
program revenues	1,220,360	1,224,509	1,299,865	1,631,837	1,545,668
Total primary government					
program revenues	19,561,694	17,751,885	18,635,985	35,459,411	22,915,922
Net (expense) revenue:					
Governmental activities	(37,961,718)	(34,508,047)	(38,772,775)	(25,026,797)	(36,383,112)
Business-type activities	(975,886)	-	(720,085)	(344,095)	(338,146)
Total primary government					
net expense	(38,937,604)	(34,508,047)	(39,492,860)	(25,370,892)	(36,721,258)
General revenues and other changes					
in net position:					
Governmental activities:					
Property taxes	35,067,058	35,554,413	37,930,455	38,587,563	39,600,518
Grants and contributions not					
restricted to specific programs	730,716	944,850	818,451	955,620	935,210
Unrestricted investment earnings	162,793	108,776	53,967	19,450	53,475
Transfers and other	(779,342)	(828,130)	(762,549)	(712,408)	(279,974)
Miscellaneous	-	-	-	-	-
Total governmental activities	35,181,225	35,779,909	38,040,324	38,850,225	40,309,229
Business-type activities:					
Unrestricted investment earnings	22,770	3,603	642	952	56
Transfers and other	779,342	828,130	812,549	712,408	279,974
Total business-type activities	802,112	831,733	813,191	713,360	280,030
Total primary government	35,983,337	36,611,642	38,853,515	39,563,585	40,589,259
Changes in net position:					
Governmental activities	(2,780,493)	1,271,862	(732,451)	13,823,428	3,926,117
Business-type activities	(173,774)	831,733	93,106	369,265	(58,116)
Total primary government	\$ (2,954,267)	\$ 2,103,595	\$ (639,345)	\$ 14,192,693	\$ 3,868,001

Table 2, Cont'd.

Fiscal Year				
2014	2015	2016	2017	2018
\$ 1,514,981	\$ 1,883,588	\$ 1,938,604	\$ 2,007,512	\$ 2,046,088
1,514,981	1,883,588	1,938,604	2,007,512	2,046,088
21,189,842	22,520,612	23,297,195	25,402,988	25,864,492
(42,582,772)	(43,740,205)	(45,675,381)	(44,217,013)	(48,049,778)
(401,052)	(242,659)	(65,035)	122,117	(569,059)
(42,983,824)	(43,982,864)	(45,740,416)	(44,094,896)	(48,618,837)
40,669,725	42,378,541	42,796,014	43,113,621	43,627,199
614,771	642,756	449,079	801,178	201,268
94,200	38,631	14,178	41,474	138,235
(271,596)	-	-	-	-
-	-	-	-	400,436
41,107,100	43,059,928	43,259,271	43,956,273	44,367,138
220	179	341	705	3,536
271,596	-	-	-	-
271,816	179	341	705	3,536
41,378,916	43,060,107	43,259,612	43,956,978	44,370,674
(1,475,672)	(680,277)	(2,416,110)	(260,740)	(3,682,640)
(129,236)	(242,480)	(64,694)	122,822	(565,523)
\$ (1,604,908)	\$ (922,757)	\$ (2,480,804)	\$ (137,918)	\$ (4,248,163)

Town of Seymour, Connecticut

Fund Balances (Deficits), Governmental Funds
Last Ten Fiscal Years - *unaudited*
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2009	2010	2011	2012	2013
General fund:					
Assigned	\$ -	\$ -	\$ 520,594	\$ 434,196	\$ 951,965
Unassigned	-	-	2,528,999	3,977,834	4,391,954
Reserved	1,138,589	868,948	-	-	-
Unreserved, designated	2,562,555	2,879,331	-	-	-
Total general fund	\$ 3,701,144	\$ 3,748,279	\$ 3,049,593	\$ 4,412,030	\$ 5,343,919
All other governmental funds:					
Nonspendable	\$ 13,926	\$ 13,926	\$ 21,099	\$ 11,717	\$ 15,015
Restricted	-	-	536,072	612,056	675,545
Committed	-	-	290,406	379,890	337,804
Unassigned	-	-	(835,856)	(1,339,873)	(2,032,249)
Unreserved, reported in:					
Capital projects funds	262,270	(121,998)	(1,663,322)	(1,715,948)	(2,366,124)
Total all other governmental fund	\$ 276,196	\$ (108,072)	\$ (1,651,601)	\$ (2,052,158)	\$ (3,370,009)

Note: Information for years prior to the implementation of GASB Statement No. 54 has not been restated.

Table 3

Fiscal Year				
2014	2015	2016	2017	2018
\$ 458,652	\$ 552,768	\$ 953,421	\$ 1,530,654	\$ 871,265
4,611,302	4,674,011	5,116,694	5,649,655	1,727,644
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,069,954</u>	<u>\$ 5,226,779</u>	<u>\$ 6,070,115</u>	<u>\$ 7,180,309</u>	<u>\$ 2,598,909</u>
\$ 15,641	\$ 12,117	\$ 14,188	\$ 8,499	\$ 10,651
1,064,121	765,053	1,694,147	7,521,750	5,360,522
376,574	3,963,138	804,383	639,696	770,263
(936,007)	(1,414,021)	(1,580,711)	(619,581)	(68,994)
-	-	-	-	-
<u>\$ 520,329</u>	<u>\$ 3,326,287</u>	<u>\$ 932,007</u>	<u>\$ 7,550,364</u>	<u>\$ 6,072,442</u>

Town of Seymour, Connecticut

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years - *unaudited*
(Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues:					
Property taxes, interest and liens	\$ 35,225,188	\$ 35,459,287	\$ 36,683,224	\$ 38,214,375	\$ 39,416,217
Special assessments	635,854	756,357	-	-	-
Intergovernmental	16,899,870	15,389,304	15,852,239	32,957,905	20,323,930
Interest and lien fees	10,994	10,297	226,867	257,818	403,948
Permits, fees and other	1,389,498	6,871	1,192,981	1,413,066	1,170,081
Charges for services	1,382,794	1,258,003	-	-	-
Interest	115,395	41,366	87,741	41,456	48,261
Other revenues	183,232	118,804	955,416	769,600	1,046,612
Total revenues	55,842,825	53,040,289	54,998,468	73,654,220	62,409,049
Expenditures:					
General government	4,703,125	3,575,484	2,684,857	2,983,014	3,386,245
Public safety	5,755,531	5,572,474	6,233,927	6,461,630	6,750,945
Public works	2,695,476	2,557,658	2,943,768	3,061,261	3,381,070
Sanitation	1,249,160	1,241,916	1,220,125	1,248,505	1,249,305
Sundry	2,433,849	2,209,249	2,342,795	2,577,920	2,638,434
Board of education	33,113,511	32,690,305	34,379,601	35,948,785	35,706,442
Principal payments	4,787,112	4,500,659	4,165,035	4,274,452	4,676,033
Interest expense	-	-	-	-	-
Capital outlay	436,447	1,200,395	9,513,704	18,327,149	6,084,871
Total expenditures	55,174,211	53,548,140	63,483,812	74,882,716	63,873,345
Excess of revenues (under) expenditures	668,614	(507,851)	(8,485,344)	(1,228,496)	(1,464,296)
Other financing sources (uses):					
Issuance of note payable	-	-	6,000,000	5,995,000	1,150,000
Issuance of bonds	-	-	-	-	-
Refunding bond issuance	-	-	12,145,000	3,215,000	-
Bond premiums	-	-	1,353,777	426,313	-
Payments to refunding bond escrow agent	-	-	(13,240,358)	(3,359,860)	-
Capital lease issuance	-	-	-	-	208,308
Transfers in	-	393,106	-	59,847	337,619
Transfers out	(779,342)	(1,221,236)	(812,549)	(772,255)	(617,593)
Total other financing sources (uses)	(779,342)	(828,130)	5,445,870	5,564,045	1,078,334
Net changes in fund balance	\$ (110,728)	\$ (1,335,981)	\$ (3,039,474)	\$ 4,335,549	\$ (385,962)
Debt service as a percentage of noncapital expenditures	9.58%	9.41%	8.36%	8.18%	8.80%

Table 4

Fiscal Year					
2014	2015	2016	2017	2018	
\$ 40,127,961	\$ 41,703,296	\$ 42,849,313	\$ 43,326,698	\$ 43,512,335	
-	-	-	-	-	
18,426,191	18,292,154	20,114,186	21,484,225	21,459,353	
339,840	365,893	480,074	389,490	354,119	
1,792,599	2,069,208	2,736,954	2,384,529	2,765,452	
-	-	-	-	-	
94,200	38,631	14,178	41,474	138,235	
315,509	899,281	495,813	335,207	775,991	
61,096,300	63,368,463	66,690,518	67,961,623	69,005,485	
3,128,125	3,141,297	3,531,596	4,686,654	3,664,590	
6,909,853	7,838,079	7,682,274	7,772,371	8,413,284	
3,102,918	4,357,116	7,586,860	4,799,504	5,363,298	
1,254,272	1,207,426	1,052,921	1,272,323	1,273,950	
2,623,022	2,573,866	2,671,869	2,801,316	4,837,459	
38,235,510	39,297,473	39,547,772	41,412,528	42,900,816	
5,181,212	4,179,900	4,179,900	-	2,820,000	
-	1,360,834	1,183,178	4,768,689	1,628,395	
713,661	686,929	3,128,028	780,338	3,370,058	
61,148,573	64,642,920	70,564,398	68,293,723	74,271,850	
(52,273)	(1,274,457)	(3,873,880)	(332,100)	(5,266,365)	
-	-	-	-	-	
3,710,000	4,153,000	2,008,000	7,285,000	10,430,000	
-	5,270,000	-	7,225,000	-	
230,242	546,888	314,936	1,543,608	322,833	
-	(5,732,649)	-	(7,992,957)	(9,964,135)	
-	-	-	-	496,250	
236,753	383,642	887,858	1,176,086	3,451,793	
(508,349)	(383,642)	(887,858)	(1,176,086)	(3,451,793)	
3,668,646	4,237,239	2,322,936	8,060,651	1,284,948	
\$ 3,616,373	\$ 2,962,782	\$ (1,550,944)	\$ 7,728,551	\$ (3,981,417)	
9.38%	9.49%	8.64%	7.60%	6.28%	

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years - *unaudited*
(Modified Accrual Basis of Accounting)
in thousands (000)

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2009	\$ 1,211,207	\$ 59,758	\$ 100,336	\$ 1,371,301
2010	1,211,102	60,183	100,015	1,371,300
2011	1,217,850	60,655	102,373	1,380,878
2012	1,029,248	58,711	105,628	1,193,587
2013	1,037,417	62,912	106,542	1,206,871
2014	1,059,251	51,068	108,841	1,219,160
2015	1,030,683	75,416	111,109	1,217,208
2016	1,033,756	56,275	114,998	1,205,029
2017	1,028,745	78,287	114,985	1,222,017
2018	1,034,642	55,572	114,186	1,204,400
Change 2009-2018	-17.07%	-7.53%	12.13%	-13.86%

Source: Town records.

This page intentionally left blank.

Town of Seymour, Connecticut

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years - *unaudited*
in thousands (000)**

Fiscal Year	Residential Property	Commercial and Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle	Less Exemptions
2009	\$ 1,063,788	\$ 119,516	\$ 54,199	\$ 59,758	\$ 100,336	\$ (26,296)
2010	1,063,701	120,366	54,585	60,183	100,015	(27,549)
2011	1,072,047	118,489	55,013	60,655	102,373	(27,699)
2012	905,127	124,761	26,909	58,711	105,628	(27,549)
2013	912,846	124,591	24,672	62,912	106,542	(24,691)
2014	936,665	124,557	22,420	51,068	108,841	(24,391)
2015	921,330	109,353	37,708	75,416	111,109	(22,886)
2016	921,205	112,551	18,351	56,275	114,998	(22,423)
2017	899,082	129,664	12,232	78,287	114,985	(28,139)
2018	883,302	137,182	18,946	79,964	115,257	(30,250)

Source: Town Records

Note: The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. There are no overlapping governments that collect property taxes from Town residents.

Table 6

Total Taxable Assessed Value			Percent Growth	General Fund Mill Rate	Estimated Actual Value	Value as a Percentage of Actual Value
\$					\$	
	1,371,301		0.69%	25.52	1,961,871	0.70
	1,371,300		0.00%	25.80	1,961,871	0.70
	1,380,878		0.70%	26.78	1,975,556	0.70
	1,193,587		-13.56%	27.62	1,707,999	0.70
	1,206,871		1.11%	32.83	1,726,977	0.70
	1,219,160		1.02%	33.23	1,744,534	0.70
	1,232,030		1.06%	34.04	1,762,921	0.70
	1,200,957		-2.52%	36.00	1,715,653	0.70
	1,206,111		0.43%	36.00	1,723,016	0.70
	1,204,401		-0.14%	36.00	1,720,573	0.70

Principal Property Taxpayers
Current Year and Nine Years Ago - *unaudited*

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Basement Seystems, Inc.	\$ 14,880,800	2	1.23%	n/a	n/a	n/a
Eversource (formerly Connecticut Light & Power)	12,112,530	1	1.00%	\$ 6,179,450	4	0.32%
Stop and Shop (LCP Supermarkets LLC)	7,901,710	5	0.65%	5,980,030	5	0.31%
Aquarion Water Co. of CT	5,720,800	4	0.47%	4,086,710	9	0.21%
Klarides Family Assoc LLC	5,569,690	6	0.46%	5,408,970	6	0.28%
Thule Inc	4,261,900	3	0.35%	9,137,420	3	0.47%
The Kerite Company	4,159,260	7	0.34%	16,602,820	1	0.85%
Shady Knoll Health Care Center	4,056,500	8	0.34%	4,452,940	8	0.23%
CVS Pharmacy	2,920,960	9	0.24%	n/a	n/a	n/a
Rafferty Realty Co. Inc.	2,802,240	10	0.23%	3,188,360	10	n/a
Baker Residential Limited Partnership	n/a	n/a	n/a	9,783,900	2	0.50%
Shaw, William H.J., Jr.	n/a	n/a	n/a	5,110,000	7	0.26%
Total	<u>\$ 64,386,390</u>		<u>5.31%</u>	<u>\$ 69,930,600</u>		<u>3.43%</u>

Source: Town Records

This page intentionally left blank.

Town of Seymour, Connecticut

Property Tax Levies and Collections
Last Ten Fiscal Years - *unaudited*

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2008	2006	\$ 33,537,238	\$ 32,967,105	98.30%
2009	2007	34,909,539	34,176,439	97.90%
2010	2008	35,092,415	34,390,567	98.00%
2011	2009	36,643,424	35,947,199	98.10%
2012	2010	38,213,590	37,372,891	98.79%
2013	2011	39,328,024	38,541,464	98.00%
2014	2012	40,246,048	39,448,261	98.02%
2015	2013	41,749,076	40,914,919	98.00%
2016	2014	42,904,502	42,175,008	98.30%
2017	2015	43,310,858	43,231,695	99.82%
2018	2016	43,591,294	42,751,361	98.07%

Source: Town Tax Records

Note: The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year.

Table 8

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
558,374	\$ 33,525,479	99.96%
714,941	34,891,380	99.95%
690,089	35,080,656	99.97%
677,713	36,624,912	99.95%
817,756	38,190,647	99.94%
743,060	39,284,524	99.89%
741,311	40,189,572	99.86%
704,355	41,619,274	99.69%
449,906	42,624,914	99.35%
697,376	43,231,695	99.82%
664,794	43,416,155	99.60%

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years - *unaudited*
(*Unaudited*)

Fiscal Year	General Bonded Debt			Notes Payable	Capital Leases	Total Primary Government Outstanding Debt	Ratio of Total Net Outstanding Debt to Personal Income ⁽¹⁾	Ratio of Total Net Outstanding Debt to Taxable Grand List	Per Capita
	General Purpose Bonds	School Purpose Bonds	Sewer Purpose Bonds						
2009	\$ 3,116,065	\$ 23,512,367	\$ 9,351,568	\$ -	\$ 365,911	\$ 36,345,911	151088.755%	1.853%	\$ 2,351.88
2010	2,864,123	21,722,543	8,603,334	-	247,850	33,437,850	139000.042%	1.704%	2,163.70
2011	3,583,150	17,566,998	7,059,681	-	125,894	28,335,723	117790.668%	1.434%	1,713.16
2012	5,518,854	28,813,025	5,013,121	-	-	39,345,000	163555.870%	2.304%	2,378.78
2013	5,169,877	27,961,711	4,645,008	-	164,698	37,941,294	114869.192%	2.197%	2,293.91
2014	3,996,195	27,579,348	4,604,457	1,190,000	125,209	37,495,209	113518.647%	2.149%	2,266.94
2015	6,043,585	27,715,968	3,620,447	855,000	84,622	38,319,622	116014.599%	2.174%	2,316.78
2016	7,618,351	24,696,889	2,940,760	525,000	-	35,781,000	108328.792%	2.086%	2,163.30
2017	14,929,344	22,207,003	2,269,653	420,000	-	39,826,000	117421.942%	2.311%	2,407.86
2018	14,261,175	20,996,625	2,077,200	315,000	496,250	38,146,250	112469.411%	2.217%	2,306.30

⁽¹⁾ See the Schedule of Demographic and Economic Statistics for personal income and population data

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

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years - *unaudited*
(*Unaudited*)

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2009	\$ 35,980,000	\$ -	\$ 35,980,000	1833.963%	\$ 2,328.20
2010	33,190,000	-	33,190,000	1691.752%	2,147.66
2011	36,833,256	-	36,833,256	1864.450%	2,226.92
2012	40,407,616	-	40,407,616	2365.787%	2,443.02
2013	37,288,786	-	37,288,786	2159.194%	2,254.46
2014	37,825,795	-	37,825,795	2168.246%	2,286.93
2015	38,066,060	-	38,066,060	2159.260%	2,301.45
2016	36,391,015	-	36,391,015	2121.118%	2,200.18
2017	41,731,606	-	41,731,606	2422.009%	2,523.07
2018	40,147,885	2,300,079	37,847,806	2199.721%	2,288.26

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums

(2) This is the amount restricted for debt service principal payments

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 107 for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 118

Direct Governmental Activities Debt
For the Year Ended June 30, 2018 - *unaudited*

Governmental Unit	Debt Outstanding
Bonds, BANS and notes	\$ 37,650,000
Less school construction grants receivable - principal portion only	-
Total direct debt	\$ 37,650,000

Sources: Town Records

Note: The Town is not subject to the debt of overlapping governments.

Note: School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from the Office of Policy and Management, State of Connecticut.

Town of Seymour, Connecticut

**Legal Debt Margin Information
Last Ten Fiscal Years - *unaudited*
(dollars in thousands)**

	Fiscal Years			
	2009	2010	2011	2012
General Debt				
Debt limit	\$ 78,329,898	\$ 79,481,450	\$ 82,940,211	\$ 86,361,145
Total net debt applicable to limit	3,481,976	3,111,973	3,842,739	5,778,443
Legal debt margin	\$ 74,847,922	\$ 76,369,477	\$ 79,097,472	\$ 80,582,702
Total net debt applicable to the limit as percentage of debt limit	4.45%	3.92%	4.63%	6.69%
Schools				
Debt limit	\$ 156,659,796	\$ 158,962,901	\$ 165,880,422	\$ 172,722,290
Total net debt applicable to limit	26,152,367	27,037,543	52,476,440	53,459,379
Legal debt margin	\$ 130,507,429	\$ 131,925,358	\$ 113,403,982	\$ 119,262,911
Total net debt applicable to the limit as percentage of debt limit	16.69%	17.01%	31.64%	30.95%
Sewers				
Debt limit	\$ 130,549,830	\$ 132,469,084	\$ 138,233,685	\$ 143,935,241
Total net debt applicable to limit	9,351,568	8,603,334	15,006,830	5,165,099
Legal debt margin	\$ 121,198,262	\$ 123,865,750	\$ 123,226,855	\$ 138,770,142
Total net debt applicable to the limit as percentage of debt limit	7.16%	6.49%	10.86%	3.59%
Urban Renewal				
Debt limit	\$ 113,143,186	\$ 114,806,539	\$ 119,802,527	\$ 124,743,876
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 113,143,186	\$ 114,806,539	\$ 119,802,527	\$ 124,743,876
Total net debt applicable to the limit as percentage of debt limit	0.00%	0.00%	0.00%	0.00%
Pension Funding				
Debt limit	\$ 104,439,864	\$ 105,975,267	\$ 110,586,948	\$ 115,148,193
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 104,439,864	\$ 105,975,267	\$ 110,586,948	\$ 115,148,193
Total net debt applicable to the limit as percentage of debt limit	0.00%	0.00%	0.00%	0.00%
Total				
Debt limit	\$ 583,122,574	\$ 591,695,241	\$ 617,443,793	\$ 642,910,745
Total net debt applicable to limit	38,985,911	38,752,850	71,326,009	64,402,921
Legal debt margin	\$ 544,136,663	\$ 552,942,391	\$ 546,117,784	\$ 578,507,824
Total net debt applicable to the limit as percentage of debt limit	6.69%	6.55%	11.55%	10.02%

Table 12

Fiscal Years					
2013	2014	2015	2016	2017	2018
\$ 89,213,472	\$ 91,311,426	\$ 94,843,233	\$ 97,811,937	\$ 98,444,311	\$ 98,489,655
5,429,466	15,833,155	6,168,585	7,618,351	15,594,344	14,506,175
\$ 83,784,006	\$ 75,478,271	\$ 88,674,648	\$ 90,193,586	\$ 82,849,967	\$ 83,983,480
6.09%	17.34%	6.50%	7.79%	15.84%	14.73%
\$ 178,426,944	\$ 182,622,852	\$ 189,686,466	\$ 195,623,874	\$ 196,888,622	\$ 196,979,310
70,376,153	19,387,574	28,641,557	25,221,929	22,207,043	21,311,665
\$ 108,050,791	\$ 163,235,278	\$ 161,044,909	\$ 170,401,945	\$ 174,681,579	\$ 175,667,645
39.44%	10.62%	15.10%	12.89%	11.28%	10.82%
\$ 148,689,120	\$ 152,185,710	\$ 158,072,055	\$ 163,019,895	\$ 164,073,851	\$ 164,149,425
4,796,986	5,566,838	3,772,425	3,092,738	2,681,220	2,229,178
\$ 143,892,134	\$ 146,618,872	\$ 154,299,630	\$ 159,927,157	\$ 161,392,631	\$ 161,920,247
3.23%	3.66%	2.39%	1.90%	1.63%	1.36%
\$ 128,863,904	\$ 131,894,282	\$ 136,995,781	\$ 141,283,909	\$ 142,197,338	\$ 142,262,835
-	-	-	-	-	-
\$ 128,863,904	\$ -	\$ -	\$ -	\$ -	\$ 142,262,835
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 118,951,296	\$ 121,748,568	\$ 126,457,644	\$ 130,415,916	\$ 131,259,081	\$ 131,319,540
-	-	-	-	-	-
\$ 118,951,296	\$ -	\$ -	\$ -	\$ -	\$ 131,319,540
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 664,144,736	\$ 679,762,838	\$ 706,055,179	\$ 728,155,531	\$ 732,863,202	\$ 733,200,765
80,602,605	40,787,567	38,582,567	35,933,018	40,482,607	38,047,018
\$ 583,542,131	\$ 638,975,271	\$ 667,472,612	\$ 692,222,513	\$ 692,380,595	\$ 695,153,747
12.14%	6.00%	5.46%	4.93%	5.52%	5.19%

Computation of Legal Debt Limitation - *unaudited*
June 30, 2018

Total tax collections (including interest and lien fees) for the year ended June 30, 2018						\$	43,773,180
Reimbursement for revenue loss: Tax relief for elderly							-
Base							<u>43,773,180</u>
Debt limit						\$	<u><u>306,412,260</u></u>
	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation		
Debt limitation:							
2-1/4 times base	\$ 98,489,655	\$ -	\$ -	\$ -	\$ -		
4-1/2 times base	-	196,979,310	-	-	-		
3-3/4 times base	-	-	164,149,425	-	-		
3-1/4 times base	-	-	-	142,262,835	-		
3 times base	-	-	-	-	131,319,540		
Total debt limitation	<u>98,489,655</u>	<u>196,979,310</u>	<u>164,149,425</u>	<u>142,262,835</u>	<u>131,319,540</u>		
Debt as defined by statute:							
Bonds payable	14,261,175	20,996,625	2,077,200	-	-		
Notes payable	-	315,000	-	-	-		
Bonds authorized but not issued, issue dates not yet established	245,000	40	151,978	-	-		
Total indebtedness	<u>14,506,175</u>	<u>21,311,665</u>	<u>2,229,178</u>	<u>-</u>	<u>-</u>		
Debt limitation in excess of indebtedness						\$	<u><u>83,983,480</u></u>
		\$ 175,667,645	\$ 161,920,247	\$ 142,262,835	\$ 131,319,540		

Demographic and Economic Statistics
Last Ten Fiscal Years - *unaudited*

Fiscal Year Ended June 30	Population(1)	Personal Income	Per Capita Income(1)	Median Family Income	Median Age(1)	School Enrollment (2)	Unemployment Rate (3)
2009	15,454	\$ 24,056	\$ 65,012	\$ 52,408	39	2,568	6%
2010	15,454	24,056	65,012	52,408	39	2,422	8%
2011	16,540	24,056	65,012	52,408	42	2,379	9%
2012	16,540	24,056	65,012	52,408	42	2,289	9%
2013	16,540	33,030	92,350	73,099	42	2,289	8%
2014	16,540	33,030	92,350	73,099	42	2,296	8%
2015	16,540	33,030	92,350	94,331	42	2,274	6%
2016	16,540	33,030	92,350	94,331	42	2,106	7%
2017	16,540	33,917	92,350	97,662	42	2,039	6%
2018	16,540	33,917	92,350	94,270	42	2,168	5%

Sources:

- (1) Bureau of Census - based on census data.
- (2) Office of the Superintendent of Schools
- (3) Connecticut Department of Labor, By Town, not seasonally adjusted.

Principal Employers
Current Year and Nine Years Ago - *unaudited*

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Town of Seymour	436	1	2.64%	593	1	4.79%
Basement Systems	320	2	1.93%	159	5	1.73%
Thule of Sweden	214	3	1.29%	155	7	1.69%
Stop & Shop	151	5	0.91%	200	2	2.18%
R&R Manufacturing Company	140	7	0.85%	159	6	1.69%
Haynes Construction Co.	117	6	0.71%	146	8	1.59%
Microboard Processing, Inc	107	8	0.65%	170	3	1.85%
Shady knoll Health Center	92	4	0.56%	135	9	1.69%
The Kerite Company	79	9	0.48%	165	4	1.76%
Caspari, Inc.	55	10	0.33%	84	10	0.91%

Sources: Town Records 8/1/14 Official statement and the Assessor's office

Town of Seymour, Connecticut

**Full-Time Equivalent Town Government Employees By Functions/Programs
Last Ten Fiscal Years - *unaudited***

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2009	2010	2011	2012	2013
General government	21	21	21	21	22
Finance	4	4	4	4	3
Health & Welfare	1	1	1	1	1
Police	40	40	40	40	40
Fire	2	2	2	2	2
Public Works & traffic	20	20	20	20	20
Education	302	298	292	291	289
Recreation, arts and cultural	1	1	1	1	1
Total	391	387	381	380	378

Source: Town Records

Table 16

Full-Time Equivalent Employees as of June 30				
2014	2015	2016	2017	2018
22	22	23	22	16
3	3	3	3	3
1	1	1	1	1
40	38	38	39	43
2	2	2	2	2
20	20	20	20	21
285	289	285	285	285
1	1	2	3	9
374	376	374	375	380

Town of Seymour, Connecticut

Operating Indicators By Function/Program
Last Ten Fiscal Years - *unaudited*

Function/Program	Calendar Year			
	2009	2010	2011	2012
General Government				
Land records recorded	4,238	4,472	4,582	4,116
Vital records recorded	510	462	479	528
Dog licenses issued	881	874	842	835
Absentee ballots issued	513	93	257	133
Police				
Police cars	20	20	20	20
Calls for service	16,730	13,745	16,210	15,028
Criminal arrests	731	755	779	748
Traffic citations issued	524	570	814	449
Medical emergencies responded to	1,329	1,362	1,412	1,405
Fire				
Fire calls	**	**	**	**
Medical calls	**	**	**	**
Fire alarms	**	**	**	**
Fire alarms answered	**	**	**	**
Combined Dispatch				
Emergency calls received	**	**	**	**
Non-emergency calls received	**	**	**	**
Public Works				
Lane miles of roadways swept	**	**	**	**
Tons of solid waste collected and disposed	7,263	7,561	7,184	**
Tons of recyclable materials collected and disposed	6,775	6,986	**	**
Recreation, arts and cultural				
Visitors to library	**	**	**	**
Circulation	**	**	**	**

Source: Town Records

Note: ** - not available

Table 17

Calendar Year					
2013	2014	2015	2016	2017	2018
4,575	4,771	4,387	5,083	4,797	4,768
501	539	474	476	499	454
815	747	858	803	765	782
384	95	177	200	86	76
20	20	20	21	22	23
13,638	14,905	16,477	15,799	18,849	20,952
606	658	421	412	435	485
469	515	790	872	620	561
1,352	1,518	1,514	1,478	1,598	1,587
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	6,584	7,724	7,551	6,608	6,623
**	**	13,000	47,973	47,483	46,105
**	**	73,571	67,089	63,378	62,287

Town of Seymour, Connecticut

Capital Asset Statistics By Function/Program
Last Ten Fiscal Years - *unaudited*

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Education	\$ 59,344,153	\$ 60,305,506	\$ 69,653,475	\$ 86,626,234
General government	327,767	327,767	349,004	349,004
Public safety	11,432,709	11,438,234	11,520,897	11,910,346
Public works	34,701,702	34,696,177	34,717,329	34,939,081
Sundry	2,792,233	2,792,233	2,806,281	2,874,459
Total	\$ 108,598,564	\$ 109,559,917	\$ 119,046,986	\$ 136,699,124

Source: Town Records

Note: ** Indicator not available

Table 18

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 91,905,956	\$ 92,152,824	\$ 91,693,660	\$ 93,686,338	\$ 93,851,608	\$ 93,851,608
447,716	486,873	503,373	503,373	585,925	735,967
12,583,141	12,714,891	12,821,417	12,977,836	13,233,976	13,974,954
35,270,300	35,526,844	35,683,504	36,392,233	37,029,319	39,108,874
2,888,009	2,984,529	3,115,440	3,369,408	3,375,407	3,877,335
\$ 143,095,122	\$ 143,865,961	\$ 143,817,394	\$ 146,929,188	\$ 148,076,235	\$ 151,548,738

This page intentionally left blank.