

TOWN OF SEYMOUR, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year July 1, 2018 – June 30, 2019

TOWN OF SEYMOUR, CONNECTICUT

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FOR

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

Prepared By:

THE FINANCE DEPARTMENT

DOUGLAS THOMAS, DIRECTOR OF FINANCE

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Introductory Section



February 5, 2020

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, 2019.

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, 2019. 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. Another two borrowings were authorized November 2019 for \$5,000,000 roads and \$1,500,000 emergency management communications equipment. In the last ten years the town has borrowed to build an elementary school and renovated the high school.

Financial Policies

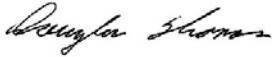
The Town of Seymour has a Financial and accounting policy and procedures manual. The manual is reviewed annually. The Town is in process of creating an investment policy and procedure with the adoption of an OPEB trust.

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 2019 kept the mil rate steady for the fourth year in a row. The Town continues to fund road and building improvements along with a \$300,000 capital project budget. The school budget was funded with a 1.2% increase or \$405,000. With state grant funding increases the Town was able to purchase a new fire truck.

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,



Douglas Thomas, CPA
Finance Director

TOWN OF SEYMOUR, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2019

BOARD OF SELECTMEN

W. Kurt Miller, First Selectman
Robert Findley
Annmarie A. Drugonis
Stephan Behuniak
Rob Van Egghen
Trish Danka
Al Bruno

BOARD OF FINANCE

William Sawicki – Chairman
Beverly Kennedy
Kristan Hanewicz
James Cretella
Heather McDaniel
John Stelma
Richard Demko

BOARD OF EDUCATION

Edward Strumello – Chairman
Frederick Stanek
Kristen Harmeling
Jen Magri
James Garofalo
Jay Hatfield
Pete Kubik
Christopher Champagne
Edwards Hendricks



Government Finance Officers Association

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for Excellence
in Financial
Reporting**

Presented to

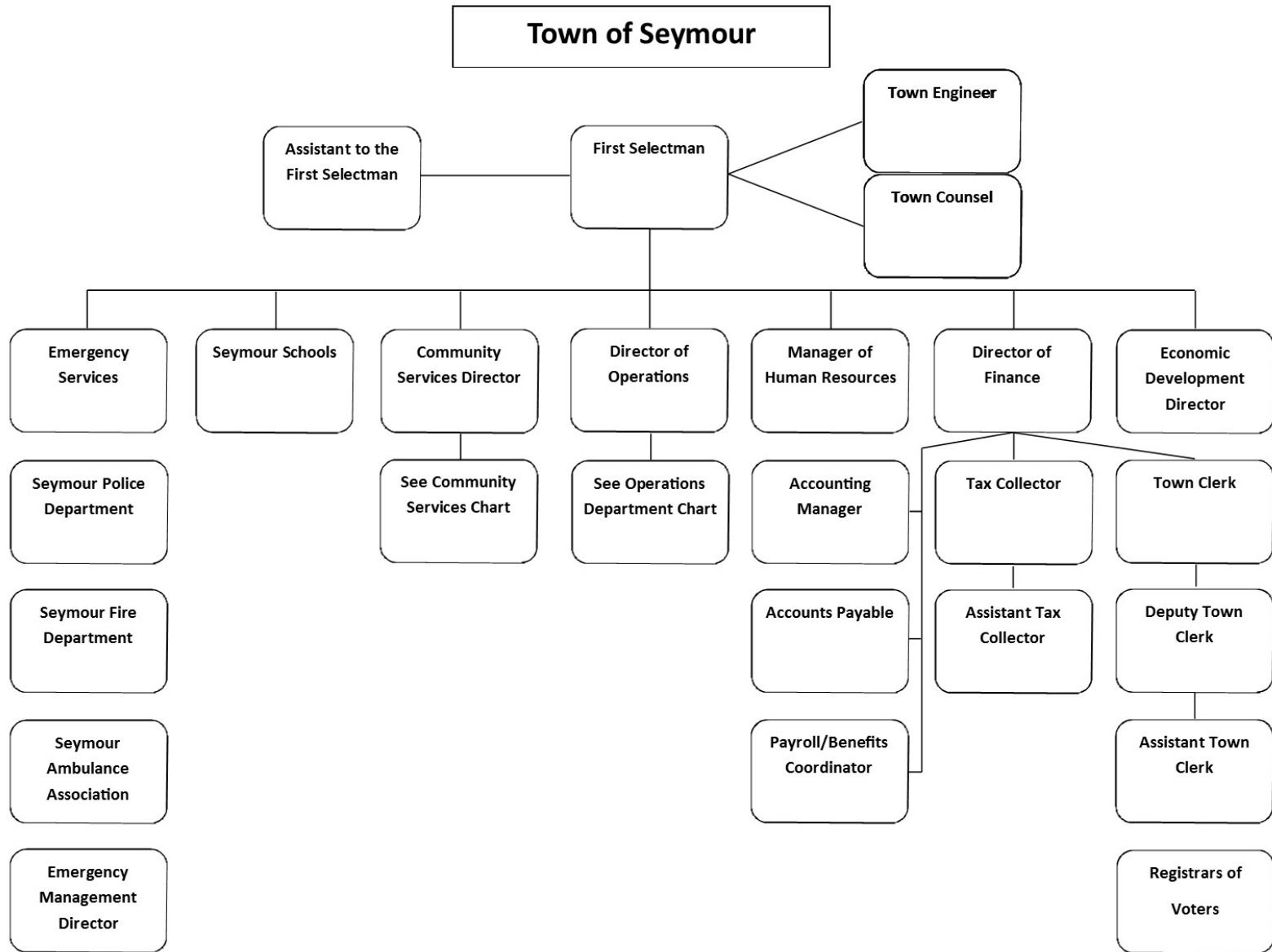
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Connecticut**

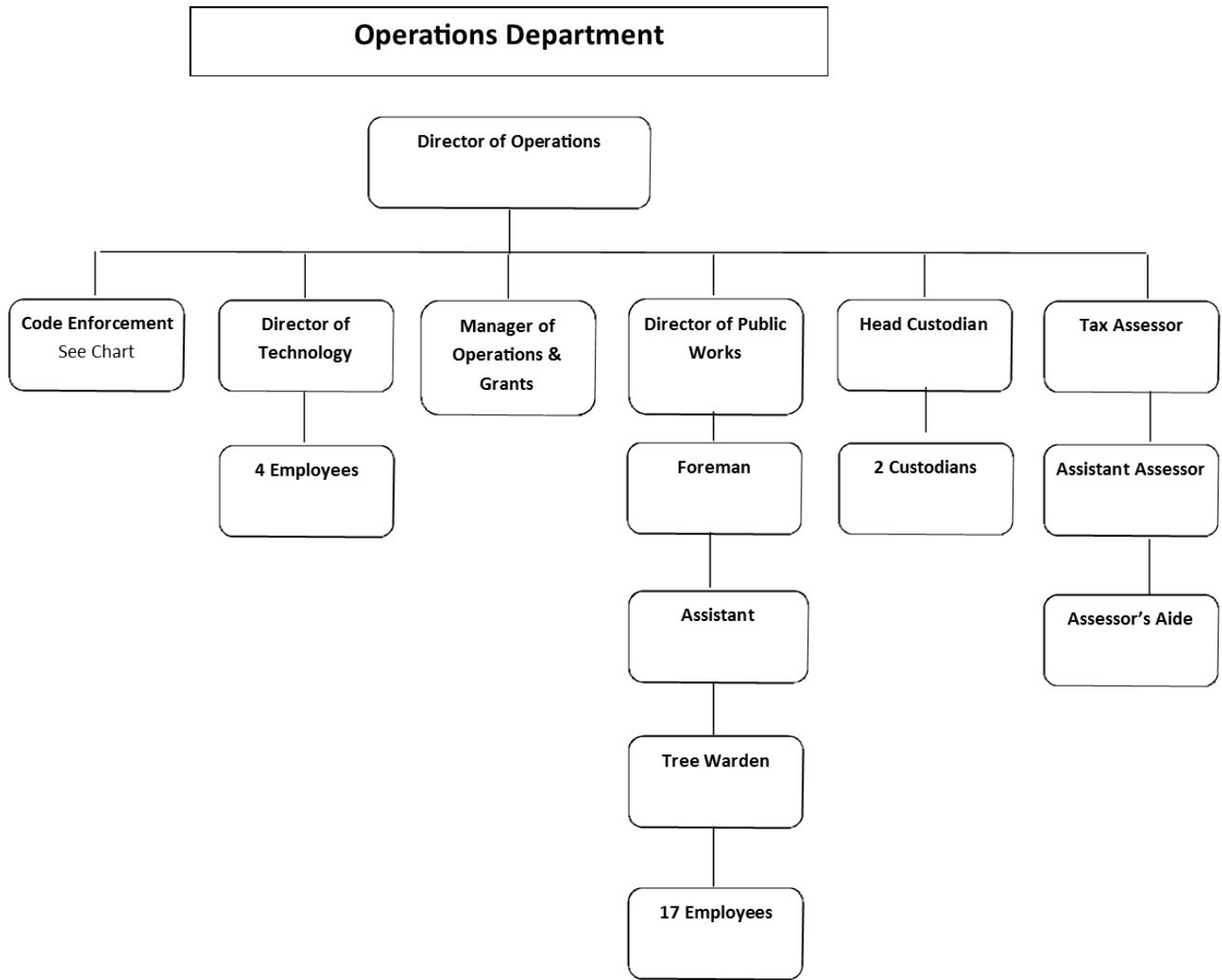
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

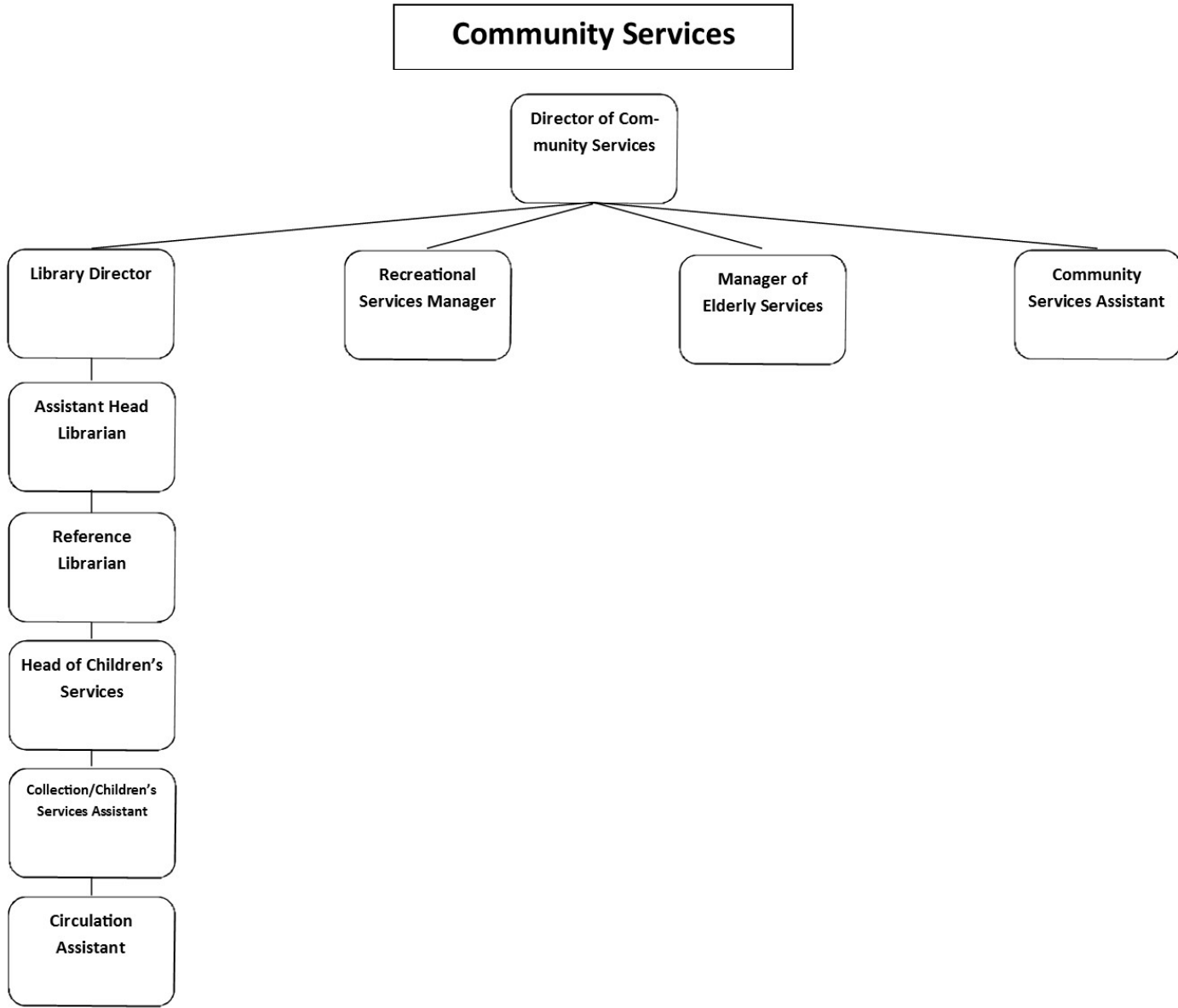
June 30, 2018

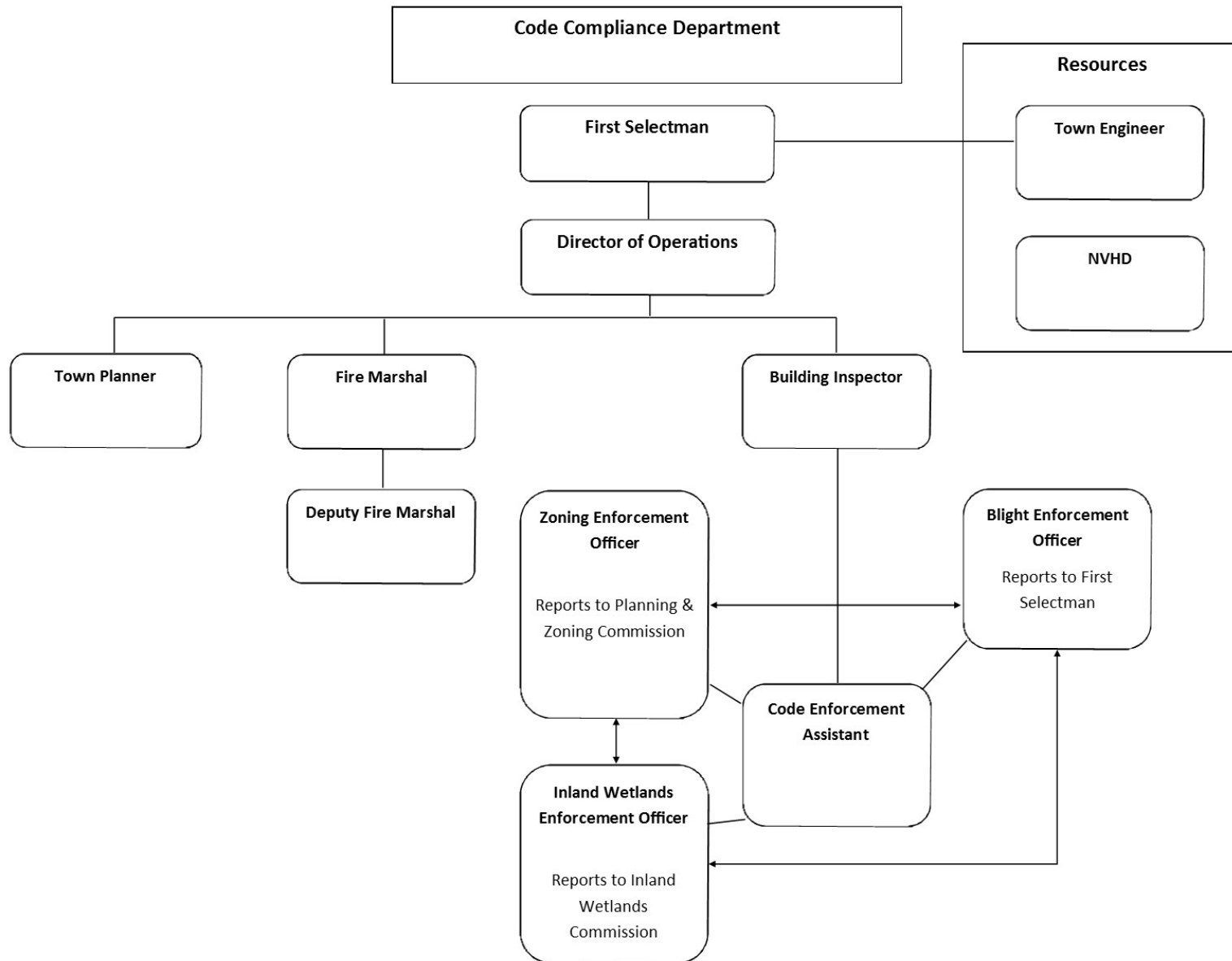
Christopher P. Morill

Executive Director/CEO









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Financial Section



RSM US LLP

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, 2019, 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, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the 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, 2020 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, 2020

Town of Seymour, Connecticut
Management's Discussion and Analysis - Unaudited
June 30, 2019

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, 2019. 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 2019 are as follows:

- The total net position of the Town decreased \$10,243,347. Net position of governmental activities decreased \$9,855,513 or 54.40 percent over 2018 and net position of business-type activities decreased \$380,034 or 5.0 percent over 2018. The decrease was primarily due to a recognized pension expense of \$9,435,750.
- The total deferred outflows of resources increased \$9,874,981. The increase was due mainly to pension liability assumption changes. The investment rate of return assumption decreased from 8% to 7% and the wage increase assumption changed from 0.50% to 0.75%.
- General revenues accounted for \$44,456,841 or 68.08 percent of total governmental activities revenue. Program specific revenues accounted for \$20,842,241 or 31.92 percent of total governmental activities revenue.
- The Town had \$75,154,395 in expenses related to governmental activities: \$20,842,241 of these expenses was offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$54,312,154 were offset by general revenues (mainly by property taxes, unrestricted grants and entitlements) of \$44,456,841.
- The general fund had revenues of \$58,848,061 in 2019. This represents a decrease of \$2,640,369 from 2018 revenues. The expenditures of the General Fund, which totaled \$57,932,503 in 2019, decreased \$5,297,931 from 2018.
- Net position for the business-type activities, which are made up of the Sewer Enterprise Fund, decreased in 2019 by \$388,034. This decrease in net position was less than the previous year's decrease of \$565,523. The operating expenses decreased \$266,444 and revenues decreased \$88,955. Management is working to decrease expenses and raise user fees.
- In the General Fund, budgeted revenues came in \$683,529 more than budget and expenditures were \$403,864 less than final budget. The revenues were more than budget due to state grant increases of \$554,194. Management continued to monitor revenue and expenditures to ensure budget breakeven or surplus.
- The Town entered into an energy performance project capital lease for \$8,807,016. The contract comes with a contractual guaranteed cost avoidance equal to the project cost and interest expense. This will be accomplished through the implementation of energy efficient equipment (HVAC, lighting, solar panels, electrical load reduction equipment).

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 2019. 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 17-20 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 26-62 of this report.

Government-Wide Financial Analysis

The table below provides a summary of the Town's net position for 2019 and 2018.

TOWN OF SEYMOUR, CONNECTICUT CONDENSED STATEMENT OF NET POSITION						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 22,662,297	\$ 19,950,590	\$ 2,400,237	\$ 2,264,216	\$ 25,062,534	\$ 22,214,806
Capital assets	96,299,892	91,394,163	4,995,755	5,527,405	101,295,647	96,921,568
Total assets	118,962,189	111,344,753	7,395,992	7,791,621	126,358,181	119,136,374
Deferred outflows of resources	14,000,920	4,125,939	-	-	14,000,920	4,125,939
Current liabilities	8,094,909	7,567,606	3,872	11,467	8,098,781	7,579,073
Noncurrent liabilities	114,711,560	88,122,249	-	-	114,711,560	88,122,249
Total liabilities	122,806,469	95,689,855	3,872	11,467	122,810,341	95,701,322
Deferred inflows of resources	1,894,826	1,663,710	-	-	1,894,826	1,663,710
Net position:						
Net Investment in capital assets	54,911,714	55,859,612	4,995,755	5,527,405	59,907,469	61,387,017
Restricted	406,019	1,338,695	-	-	406,019	1,338,695
Unrestricted	(47,055,919)	(39,081,180)	2,396,365	2,252,749	(44,659,554)	(36,828,431)
Total net position	\$ 8,261,814	\$ 18,117,127	\$ 7,392,120	\$ 7,780,154	\$ 15,653,934	\$ 25,897,281

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the Town assets exceeded liabilities by \$15,653,934. At year-end, net position was \$8,261,814 and \$7,392,120 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 81.0 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, 2019, were \$54,911,714 and \$4,995,755 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 \$47,055,919.

The table below shows the changes in net position for the fiscal year 2019 and 2018.

TOWN OF SEYMOUR, CONNECTICUT CONDENSED STATEMENT OF ACTIVITIES						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 2,716,430	\$ 2,863,730	\$ 1,940,926	\$ 2,046,088	\$ 4,657,356	\$ 4,909,818
Operating grants and contributions	16,266,743	19,164,670	-	-	16,266,743	19,164,670
Capital grants and contributions	1,859,068	1,790,004	-	-	1,859,068	1,790,004
General revenues:						
Property taxes	43,839,583	43,627,199	-	-	43,839,583	43,627,199
Grants and contributions not restricted to specific programs	120,176	201,268	-	-	120,176	201,268
Investment income	196,957	138,235	19,743	3,536	216,700	141,771
Miscellaneous revenue	300,125	400,436	-	-	300,125	400,436
Total revenues	65,299,082	68,185,542	1,960,669	2,049,624	67,259,751	70,235,166
Expenses						
General government	5,223,581	4,634,906	-	-	5,223,581	4,634,906
Public Safety	11,224,520	9,975,081	-	-	11,224,520	9,975,081
Public Works	6,957,400	7,539,214	-	-	6,957,400	7,539,214
Recreation and Culture	1,101,761	1,057,717	-	-	1,101,761	1,057,717
Sanitation	1,499,158	1,338,666	-	-	1,499,158	1,338,666
Board of Education	47,955,481	45,883,561	-	-	47,955,481	45,883,561
Interest on long-term debt	1,192,494	1,439,037	-	-	1,192,494	1,439,037
Water	-	-	2,348,703	2,615,147	2,348,703	2,615,147
Total expenses	75,154,395	71,868,182	2,348,703	2,615,147	77,503,098	74,483,329
Change in net position	(9,855,313)	(3,682,640)	(388,034)	(565,523)	(10,243,347)	(4,248,163)
Net Position - July 1	18,117,127	21,799,767	7,780,154	8,345,677	25,897,281	30,145,444
Net Position - June 30	<u>\$ 8,261,814</u>	<u>\$ 18,117,127</u>	<u>\$ 7,392,120</u>	<u>\$ 7,780,154</u>	<u>\$ 15,653,934</u>	<u>\$ 25,897,281</u>

Governmental Activities

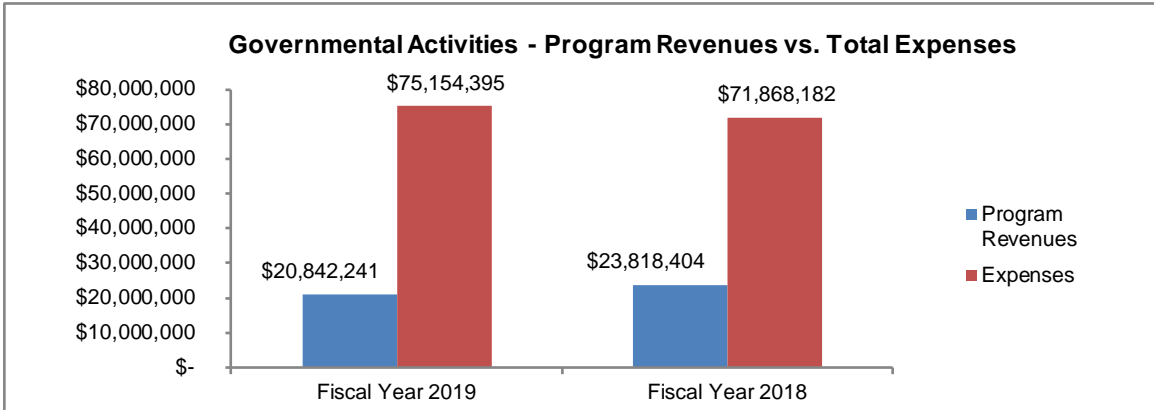
Governmental activities net position decreased \$9,855,313 in 2019. The decrease was due to increases in OPEB liability and pension liability.

Education accounted for \$47,955,481 of the total expenses of the Town. These expenses were partially funded by \$15,426,241 in state and federal grants.

The state and federal government contributed to the Town a total of \$16,266,743 in operating grants and contributions, which is a decrease of \$2,897,927 which is due to decreases in state funding of municipal in aid grants and education cost sharing grant reductions.

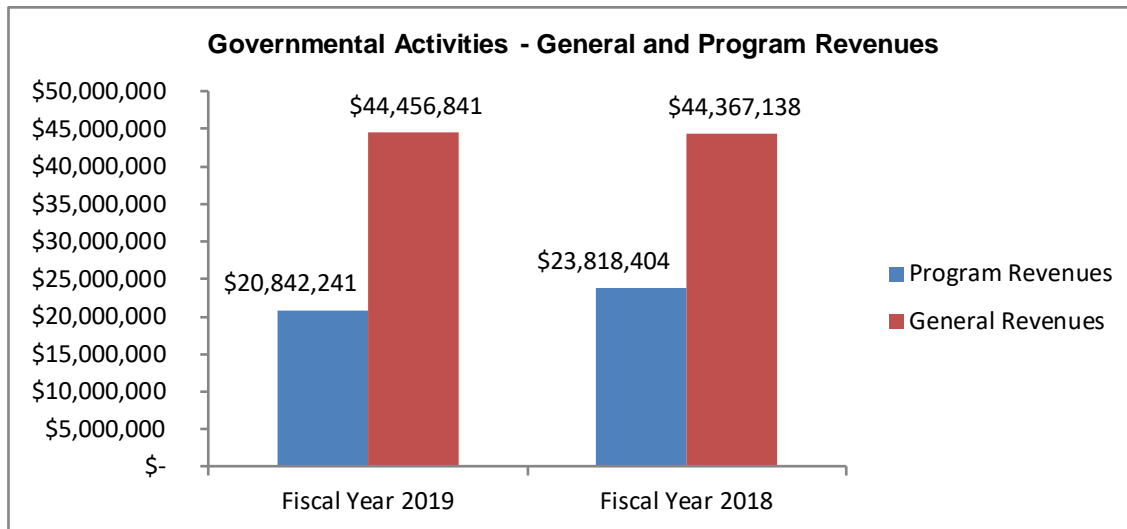
General revenues totaled \$44,456,841 and amount to 68 percent of total governmental revenues. These revenues primarily consist of property tax revenue of \$43,839,583. The other primary source of general revenues is grants and contributions not restricted to specific programs, making up \$120,176.

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.



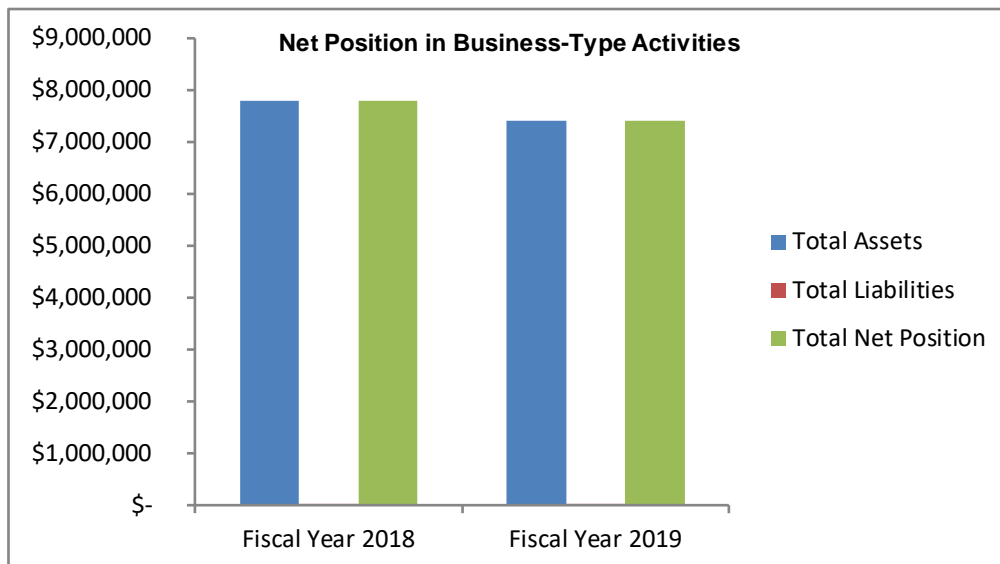
	Governmental Activities			
	2019	2018	2019	2018
	Total Cost of	Total Cost of	Net Cost of	Net Cost of
	Services	Services	Services	Services
Program Expenses				
General government	\$ 5,223,581	\$ 4,634,906	\$ 4,229,945	\$ 3,803,276
Public safety	11,224,520	9,975,081	10,344,739	8,795,609
Public works	6,957,400	7,539,214	3,922,126	4,496,584
Recreation and culture	1,101,761	1,057,717	1,101,761	1,057,717
Sanitation	1,499,158	1,338,666	1,499,158	1,338,666
Education	47,955,481	45,883,561	32,021,931	27,118,889
Interest on long-term debt	1,192,494	1,439,037	1,192,494	1,439,037
Total expenses	\$ 75,154,395	\$ 71,868,182	\$ 54,312,154	\$ 48,049,778

The dependence upon general revenues for governmental activities is apparent, with 59 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 \$1,940,926 and operating expense of \$2,348,703 for the fiscal year 2019. The graph below shows the business-type activities' assets, liabilities and net position at year-end 2019 and 2018.



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 \$11,145,745 which is \$370,227 more than last year's total of \$10,775,518. The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2019 for all major and non-major governmental funds.

The Energy Performance Project Fund is a 10-year capital lease that will pay for its implementation of energy efficient lighting, HVAC equipment, water conservation and miscellaneous electric load reduction equipment. The energy savings from these projects is projected and guarantee, by contract, to pay for the lease over 10 years.

The Rimmon Road Improvement Fund is the rebuilding of a Town to Town road. The project was completed in the spring of 2019 and is awaiting final state DOT grants of \$909,897.

The other governmental funds are various special revenue funds, capital project funds and debt service fund.

	Fund Balances June 30, 2019	Fund Balances June 30, 2018	Increase (Decrease)
General Fund	\$ 2,834,078	\$ 2,598,909	\$ 235,169
Energy Performance Project Fund	4,810,065	-	4,810,065
Rimmon Road Improvement Fund	(1,062,613)	(195,912)	(866,701)
Other Governmental Funds	4,564,215	8,372,521	(3,808,306)
Total	\$ 11,145,745	\$ 10,775,518	370,227

General Fund

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

	2019 Amount	2018 Amount	Percentage Change
Revenues			
Property taxes	\$ 43,850,072	\$ 43,512,335	0.78%
Interest and lien fees	322,759	354,119	-8.86%
Intergovernmental	13,217,792	16,206,958	-18.44%
Investment income	116,999	124,817	-6.26%
Permits, fees and other	1,178,095	1,191,839	-1.15%
Other revenues	162,344	98,362	65.05%
Total	\$ 58,848,061	\$ 61,488,430	-4.29%

Tax revenue represents 74.5 percent of all General Fund revenue. Tax revenue increased by 0.78 percent over prior year. Tax increase was due to a tax assessment increase of .35 percent and positive tax collections. Intergovernmental revenue decreased \$2,989,166 due to state grant reductions. The interest and lien fees decreased \$31,360, investment income decreased \$7,818, Permit, fees and other decreased \$13,744, and other revenues increased \$63,982 for a net decrease of \$2,640,369.

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

	2019 Amount	2018 Amount	Percentage Change
Expenditures:			
General government	\$ 3,571,269	\$ 3,222,335	10.83%
Public safety	7,403,079	7,306,916	1.32%
Public works	2,926,769	2,999,597	-2.43%
Sanitation	1,381,163	1,273,950	8.42%
Sundry	3,036,748	4,837,459	-37.22%
Board of Education	35,906,834	39,716,984	-9.59%
Debt service	3,365,392	3,665,193	-8.18%
Capital outlay	341,249	208,000	64.06%
Total	\$ 57,932,503	\$ 63,230,434	-8.38%

All expenditures remained comparable to 2018 overall. The expenditure increases for General government 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 \$259,999. Capital outlay increase of \$133,249 is due to budgeted increase in fleet management, police vehicles, and public works equipment.

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.

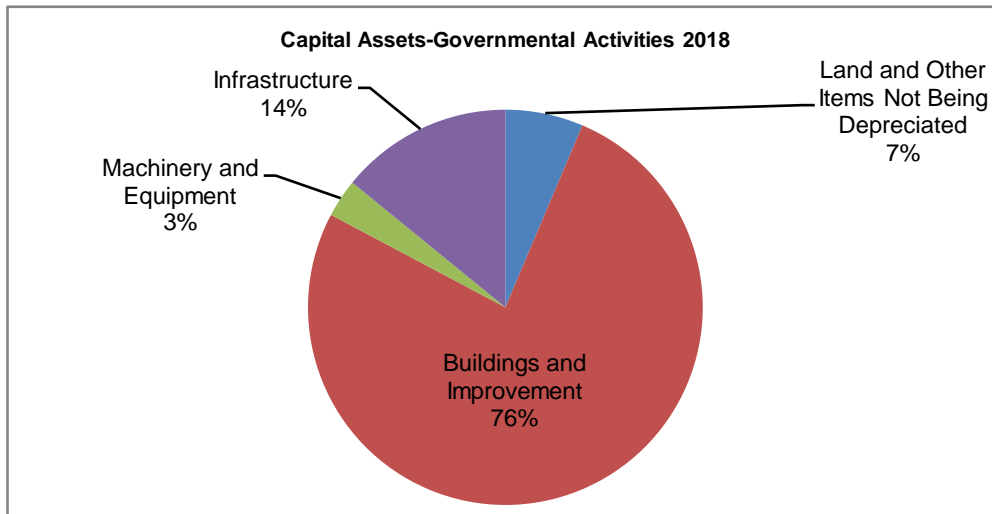
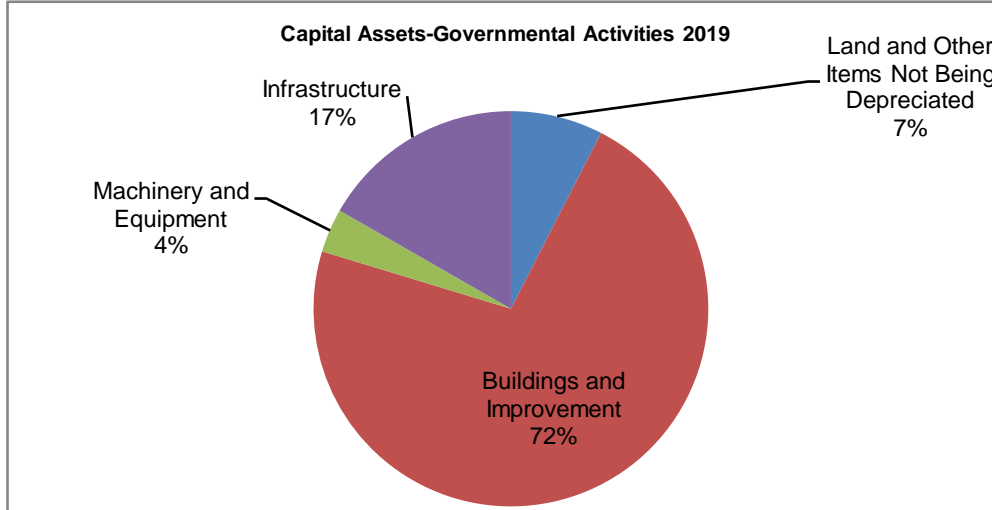
Capital Assets and Debt Administration

Capital Assets. At the end of fiscal year 2019, the Town had \$96,299,892 (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 2019 balances compared to fiscal year 2018 balances. See Note 2 for more information on Capital Assets.

Capital Assets at June 30, 2019 and 2018 (Net of Depreciation)

	2019	2018
Land and other items not being depreciated	\$ 7,275,441	\$ 5,836,981
Buildings and improvements	69,465,829	69,791,237
Machinery and equipment	3,453,113	2,853,647
Infrastructure	16,105,509	12,912,298
Total	\$ 96,299,892	\$ 91,394,163

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 39.



Debt Administration

The Town issue a \$495,000 note at 3.1% with a five year pay back. The note was for school communication equipment. The Town also entered into an energy performance project capital lease for \$8,807,016. The contract comes with a contractual guaranteed cost avoidance equal to the project cost and interest expense. This will be possible with savings from installation of energy saving equipment such as solar panel, lighting and HVAC replacements throughout Town buildings and schools. See Note 2 for more information on Debt.

	Governmental Activities	
	2019	2018
Retirement liability	\$ 395,266	\$ 130,207
Bonds, capital leases, claims and contracts	50,244,518	43,716,894
OPEB	45,403,282	41,661,281
Net pension liability	18,391,149	3,102,889
Compensated absences	3,647,860	3,493,485
Total	\$ 118,082,075	\$ 92,104,756

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.

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Basic Financial Statements

Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 11,035,225	\$ 1,539,464	\$ 12,574,689
Investments	138,335	-	138,335
Property taxes receivable, net	1,949,707	-	1,949,707
Intergovernmental receivable	1,023,803	-	1,023,803
Accounts and other receivables, net	2,742,420	860,773	3,603,193
Inventories	10,344	-	10,344
Restricted cash	5,762,463	-	5,762,463
Capital assets, nondepreciable	7,275,441	-	7,275,441
Capital assets, net of accumulated depreciation	89,024,451	4,995,755	94,020,206
Total assets	118,962,189	7,395,992	126,358,181
Deferred outflows of resources:			
Deferred pension expense	11,224,146	-	11,224,146
Deferred OPEB expense	1,946,790	-	1,946,790
Deferred charges on refunding	829,984	-	829,984
Total deferred outflows of resources	14,000,920	-	14,000,920
Liabilities			
Accounts payable	3,797,209	3,872	3,801,081
Accrued liabilities	382,951	-	382,951
Accrued interest payable	457,864	-	457,864
Unearned revenue	86,370	-	86,370
Noncurrent liabilities, due within one year	3,370,515	-	3,370,515
Noncurrent liabilities, due in more than one year	114,711,560	-	114,711,560
Total liabilities	122,806,469	3,872	122,810,341
Deferred inflows of resources:			
Deferred pension credit	609,681	-	609,681
Deferred OPEB credit	1,285,145	-	1,285,145
Total deferred inflows of resources	1,894,826	-	1,894,826
Net position:			
Net investment in capital assets	54,911,714	4,995,755	59,907,469
Restricted			
Nonexpendable	10,344	-	10,344
Operating grants	395,675	-	395,675
Unrestricted (deficit)	(47,055,919)	2,396,365	(44,659,554)
Total net position	\$ 8,261,814	\$ 7,392,120	\$ 15,653,934

See notes to financial statements.

Town of Seymour, Connecticut

Exhibit II

Statement of Activities
For the Year Ended June 30, 2019

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	\$ (5,223,581)	\$ 770,388	\$ 223,248	\$ -	\$ (4,229,945)	\$ -	\$ (4,229,945)
Public safety	(11,224,520)	876,581	3,200	-	(10,344,739)	-	(10,344,739)
Public works	(6,957,400)	562,152	614,054	1,859,068	(3,922,126)	-	(3,922,126)
Recreation and culture	(1,101,761)	-	-	-	(1,101,761)	-	(1,101,761)
Sanitation	(1,499,158)	-	-	-	(1,499,158)	-	(1,499,158)
Board of education	(47,955,481)	507,309	15,426,241	-	(32,021,931)	-	(32,021,931)
Interest on long-term debt	(1,192,494)	-	-	-	(1,192,494)	-	(1,192,494)
Total governmental activities	(75,154,395)	2,716,430	16,266,743	1,859,068	(54,312,154)	-	(54,312,154)
Business-type activities:							
Sewer fund	(2,348,703)	1,940,926	-	-	-	(407,777)	(407,777)
Total business-type activities	(2,348,703)	1,940,926	-	-	-	(407,777)	(407,777)
Total primary government	\$ (77,503,098)	\$ 4,657,356	\$ 16,266,743	\$ 1,859,068	(54,312,154)	(407,777)	(54,719,931)
General revenues:							
Property taxes, interest and lien fees					43,839,583	-	43,839,583
Grants and contributions not restricted to specific programs					120,176	-	120,176
Investment earnings					196,957	19,743	216,700
Miscellaneous					300,125	-	300,125
Total general revenues					44,456,841	19,743	44,476,584
Change in net position					(9,855,313)	(388,034)	(10,243,347)
Net position, beginning of year					18,117,127	7,780,154	25,897,281
Net position, end of year					\$ 8,261,814	\$ 7,392,120	\$ 15,653,934

See notes to financial statements.

Balance Sheet - Governmental Funds
June 30, 2019

	General	Energy Performance Project	Rimmon Road Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 3,174,597	\$ 5,762,463	\$ 641,655	\$ 4,905,198	\$ 14,483,913
Investments	-	-	-	138,335	138,335
Receivables, net:					
Property taxes	1,949,707	-	-	-	1,949,707
Intergovernmental	-	-	909,897	113,906	1,023,803
Accounts and other	2,653,592	-	-	88,828	2,742,420
Due from other funds	1,839,616	-	-	292,372	2,131,988
Inventories	-	-	-	10,344	10,344
Total assets	\$ 9,617,512	\$ 5,762,463	\$ 1,551,552	\$ 5,548,983	\$ 22,480,510
Liabilities					
Accounts and other payables	\$ 2,294,555	\$ 952,398	\$ 4,268	\$ 470,255	\$ 3,721,476
Due to other funds	509,164	-	1,700,000	322,824	2,531,988
Unearned revenues	-	-	-	86,370	86,370
Other liabilities	382,951	-	-	-	382,951
Total liabilities	3,186,670	952,398	1,704,268	879,449	6,722,785
Deferred inflows of resources:					
Unavailable revenue	3,596,764	-	909,897	105,319	4,611,980
Total deferred inflows of resources	3,596,764	-	909,897	105,319	4,611,980
Fund balances:					
Nonspendable	-	-	-	10,344	10,344
Restricted	-	4,810,065	-	3,762,855	8,572,920
Committed	-	-	-	1,069,999	1,069,999
Assigned	578,443	-	-	-	578,443
Unassigned	2,255,635	-	(1,062,613)	(278,983)	914,039
Total fund balances (deficits)	2,834,078	4,810,065	(1,062,613)	4,564,215	11,145,745
Total liabilities, deferred inflows of resources and fund balances	\$ 9,617,512	\$ 5,762,463	\$ 1,551,552	\$ 5,548,983	\$ 22,480,510

(Continued)

Balance Sheet - Governmental Funds (Continued)
June 30, 2019

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)	\$	11,145,745
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$	160,299,679
Less accumulated depreciation		<u>(63,999,787)</u>
		96,299,892
Deferred pension expense		11,224,146
Deferred OPEB expense		1,946,790
Deferred pension credit		(609,681)
Deferred OPEB credit		(1,285,145)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Property tax receivables		1,029,800
Assessments and other receivables not currently available		2,915,816
Interest on property taxes and assessments		666,364
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		471,542
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		(35,930,000)
Notes payable		(210,000)
Compensated absences		(3,647,860)
Accrued interest payable		(457,864)
Early retirement incentives		(395,266)
Capital lease		(9,261,193)
Legal claims		(185,125)
Total Other post-employment liability		(45,403,282)
Deferred amounts in refunding		829,984
Bond premium		(2,491,700)
Net pension liability		<u>(18,391,149)</u>
Net position of governmental activities (Exhibit I)	\$	<u>8,261,814</u>

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)- Governmental Funds
For the Year Ended June 30, 2019**

	General	Energy Performance Project	Rimmon Road Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 43,850,072	\$ -	\$ -	\$ -	\$ 43,850,072
Interest and lien fees	322,759	-	-	-	322,759
Intergovernmental	13,217,792	-	802,737	3,110,379	17,130,908
Investment income	116,999	59,617	-	20,341	196,957
Permits, fees and other	1,178,095	-	-	1,420,976	2,599,071
Other revenues	162,344	-	-	430,242	592,586
Total revenues	58,848,061	59,617	802,737	4,981,938	64,692,353
Expenditures:					
Current:					
General government	3,571,269	-	-	306,452	3,877,721
Public safety	7,403,079	-	-	867,701	8,270,780
Public works	2,926,769	-	-	2,022,635	4,949,404
Sanitation	1,381,163	-	-	-	1,381,163
Sundry	3,036,748	-	-	-	3,036,748
Board of education	35,906,834	-	-	3,450,194	39,357,028
Debt service	3,365,392	-	-	86,048	3,451,440
Capital outlay	341,249	4,056,568	1,669,438	3,232,603	9,299,858
Total expenditures	57,932,503	4,056,568	1,669,438	9,965,633	73,624,142
Revenues over (under) expenditures	915,558	(3,996,951)	(866,701)	(4,983,695)	(8,931,789)
Other financing sources (uses):					
Issuance of bonds	-	-	-	495,000	495,000
Capital lease proceeds	-	8,807,016	-	-	8,807,016
Transfers in	-	-	-	1,180,388	1,180,388
Transfers out	(680,389)	-	-	(499,999)	(1,180,388)
Total other financing sources (uses)	(680,389)	8,807,016	-	1,175,389	9,302,016
Net changes in fund balances (deficits)	235,169	4,810,065	(866,701)	(3,808,306)	370,227
Fund balances (deficits), beginning of year	2,598,909	-	(195,912)	8,372,521	10,775,518
Fund balances (deficits), end of year	\$ 2,834,078	\$ 4,810,065	\$ (1,062,613)	\$ 4,564,215	\$ 11,145,745

(Continued)

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds
(Continued)
For the Year Ended June 30, 2019**

Reconciliation of the statement of revenues, expenditures and changes in fund balances (deficits) - 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)	\$ 370,227
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	8,750,941
Depreciation expense	(3,845,212)
The change in net position in governmental activities of internal service funds is reported with governmental activities	955,394
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	(53,318)
Changes in assessments collected after 60 days	(330,800)
Changes in intergovernmental revenues collected after 60 days	939,977
Changes in property taxes and assessments interest	50,870

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 bonds	(495,000)
Principal payments	1,900,000
Payment of note payable	105,000
Amortization of premium on general obligation bonds	321,185
Capital lease proceeds	(8,807,016)
Capital lease payments	42,073
Amortization of deferred amounts on refunding	(155,508)

Some expenses and deferred inflows/outflows 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	8,083,699
Deferred OPEB expense	1,946,790
Deferred pension credit	(452,681)
Deferred OPEB credit	221,565
Accrued interest	46,196
Net OPEB liability	(3,742,001)
Net pension liability	(15,288,260)
Compensated absences	(154,375)
Early retirement incentives	(265,059)

Change in net position of governmental activities (Exhibit II)	\$ (9,855,313)
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See notes to financial statements.

**Statement of Net Position - Proprietary Funds
June 30, 2019**

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Sewer Fund	Internal Service Fund
Assets		
Current assets:		
Cash	\$ 1,539,464	\$ 2,313,775
Accounts receivable, net	860,773	-
Due from other funds	-	400,000
Total current assets	<u>2,400,237</u>	<u>2,713,775</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	4,995,755	-
Total noncurrent assets	<u>4,995,755</u>	<u>-</u>
Total assets	<u>7,395,992</u>	<u>2,713,775</u>
Liabilities		
Current liabilities:		
Accounts payable	3,872	75,733
Claims payable	-	52,996
Total current liabilities	<u>3,872</u>	<u>128,729</u>
Noncurrent liabilities:		
Claims payable	-	2,113,504
Total noncurrent liabilities	<u>-</u>	<u>2,113,504</u>
Total liabilities	<u>3,872</u>	<u>2,242,233</u>
Fund net position:		
Net investment in capital assets	4,995,755	-
Unrestricted	2,396,365	471,542
Total fund net position	<u>\$ 7,392,120</u>	<u>\$ 471,542</u>

See notes to financial statements.

**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2019**

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	\$ 1,940,926	\$ 1,275,000
Other	-	35,465
Total operating revenues	1,940,926	1,310,465
Operating expenses:		
Administration and operation	1,817,053	-
Depreciation	531,650	-
Claims	-	355,071
Total operating expenses	2,348,703	355,071
Operating (loss) income	(407,777)	955,394
Nonoperating revenues:		
Interest income	19,743	-
Total nonoperating revenues	19,743	-
Change in fund net position	(388,034)	955,394
Fund net position, beginning of year	7,780,154	(483,852)
Fund net position, end of year	\$ 7,392,120	\$ 471,542

See notes to financial statements.

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2019**

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Sewer Fund	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ 1,909,390	\$ 910,465
Payments to suppliers and for claims	(1,824,648)	(691,809)
Net cash provided by operating activities	84,742	218,656
Cash flows from investing activities:		
Investment income	19,743	-
Net cash provided by investing activities	19,743	-
Net increase in cash and cash equivalents	104,485	218,656
Cash:		
Beginning of year	1,434,979	2,095,119
End of year	\$ 1,539,464	\$ 2,313,775
Reconciliation of operating (loss) income to net cash provided by operating activities:		
Operating (loss) income	\$ (407,777)	\$ 955,394
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Depreciation expense	531,650	-
Increase in accounts receivable	(31,536)	-
(Decrease) increase in accounts payable	(7,595)	69,396
Decrease in claims payable	-	(406,134)
Increase in due from other funds	-	(400,000)
Net cash provided by operating activities	\$ 84,742	\$ 218,656

See notes to financial statements.

**Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2019**

	OPEB Trust	Private Purpose Trust Funds	Agency Funds
Assets			
Cash	\$ -	\$ 51,732	\$ 132,848
Investments	50,971	1,557,181	-
Total assets	<u>50,971</u>	<u>1,608,913</u>	<u>132,848</u>
Liabilities			
Due to others	-	-	132,848
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 132,848</u>
Net Position			
Net position held in trust	-	1,608,913	
Net position- restricted for benefits	50,971	-	
Total net position	<u>\$ 50,971</u>	<u>\$ 1,608,913</u>	

See notes to financial statements.

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2019**

	OPEB Trust	Private Purpose Trust Funds
Additions:		
Contributions- Employer	\$ 1,358,165	\$ -
Investment income:		
Interest and dividends	971	74,983
Donations	-	8,880
Net additions	1,359,136	83,863
Deductions:		
Benefits	1,308,165	-
Education	-	93,462
General government	-	2,900
Total deductions	1,308,165	96,362
Change in net position	50,971	(12,499)
Net position-restricted for benefits:		
Beginning of year	-	1,621,412
End of year	\$ 50,971	\$ 1,608,913

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. 83, *Certain Asset Retirement Obligations*, was effective for the Town beginning July 1, 2018. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. The adoption of this statement did not impact the Town's financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was effective for the Town beginning July 1, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of GASB Statement No. 88 did not impact the Town's financial position or results of operations or disclosures.

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.

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

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)

OPEB trust fund: used to account for the activities of the Town's OPEB plan, which accumulates resources for OPEB benefit payments, legally held in trust.

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 Energy Performance Project fund: accounts for funds associated with the energy performance lease project.

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, 2019, 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.

Net OPEB liability: The net 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), net of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net 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)

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.

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, \$17,758,880 of the Town's bank balance of \$21,138,911 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 17,758,880
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	3,380,031
Total amount subject to custodial credit risk	<u>\$ 21,138,911</u>

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2019:

Cash:	
Deposits with financial institutions	\$ 18,521,732
Total cash	<u>18,521,732</u>

Investments:	
Nonmajor Governmental Funds:	
Mutual funds	46,375
Certificates of deposit	91,960
	<u>138,335</u>

Fiduciary fund:	
Mutual funds	1,608,152
Total investments	<u>1,746,487</u>
Total cash and investments	<u>\$ 20,268,219</u>

Statement of net position:	
Cash	\$ 18,337,152
Investments	138,335
	<u>18,475,487</u>

Fiduciary funds:	
Cash	184,580
Investments	1,608,152
	<u>1,792,732</u>
Total cash and investments	<u>\$ 20,268,219</u>

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

Investments: As of June 30, 2019, 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	\$ 1,654,527	\$ 1,654,527	\$ -	\$ -
		\$ 1,654,527	\$ 1,654,527	\$ -	\$ -

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, 2019:

	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:			
Mutual funds	\$ 1,654,527	\$ 518,787	\$ 1,135,740
Total investments by fair value level	\$ 1,654,527	\$ 518,787	\$ 1,135,740

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. 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.

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.

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	Nonmajor Governmental Funds	Sewer	Total
Receivables:					
Taxes and interest	\$ 2,041,982	\$ -	\$ -	\$ -	\$ 2,041,982
Accounts and other	752,991	-	88,828	-	841,819
Sewer assessment	1,353,633	-	-	956,414	2,310,047
Water assessment	546,968	-	-	-	546,968
Intergovernmental	-	-	113,906	-	113,906
Gross receivables	4,695,574	-	202,734	956,414	5,854,722
Less allowance for collection losses	92,275	-	-	95,641	187,916
Net receivables	\$ 4,603,299	\$ -	\$ 202,734	\$ 860,773	\$ 5,666,806

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	\$ 1,029,800	\$ -
Delinquent property taxes interest receivable	666,364	-
Sewer and Water assessments receivable	1,900,600	-
Rimmon Road Improvement fund		
Grants	909,897	
Nonmajor governmental fund:		
Various education grants	-	86,370
Other receivables	105,319	-
	\$ 4,611,980	\$ 86,370

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, 2019 are as follows:

	General Fund	Energy Performance Project	Rimmon Road Improvement Fund	Nonmajor Governmental Funds	Total
Fund balance:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 10,344	\$ 10,344
	-	-	-	10,344	10,344
Restricted to:					
Education	-	-	-	8,144	8,144
Police operations	-	-	-	30,625	30,625
Social services	-	-	-	123,705	123,705
Capital projects	-	-	-	1,376,218	1,376,218
Environmental purposes and transfer station	-	-	-	116,499	116,499
Debt Service	-	-	-	1,894,379	1,894,379
General government activities	-	-	-	213,285	213,285
Lease project	-	4,810,065	-	-	4,810,065
	-	4,810,065	-	3,762,855	8,572,920
Committed to:					
Public works	-	-	-	396,243	396,243
Public safety	-	-	-	206,464	206,464
Education	-	-	-	158,906	158,906
Library	-	-	-	209,805	209,805
General government activities	-	-	-	98,581	98,581
	-	-	-	1,069,999	1,069,999
Assigned to:					
General government various	154,635	-	-	-	154,635
Police department	299,957	-	-	-	299,957
Parks	30,672	-	-	-	30,672
Fire marshall/Fire Dept	12,873	-	-	-	12,873
Public works	60,813	-	-	-	60,813
Recreation	19,493	-	-	-	19,493
	578,443	-	-	-	578,443
Unassigned	2,255,635	-	(1,062,613)	(278,983)	914,039
Total fund balances (deficits)	\$ 2,834,078	\$ 4,810,065	\$ (1,062,613)	\$ 4,564,215	\$ 11,145,745

Significant encumbrances at June 30, 2019 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, 2019 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	2,618,108	4,056,568	(2,618,108)	4,056,568
Total capital assets, not being depreciated	<u>5,836,981</u>	<u>4,056,568</u>	<u>(2,618,108)</u>	<u>7,275,441</u>
Capital assets, being depreciated:				
Buildings and improvements	97,682,744	1,758,789	-	99,441,533
Machinery and equipment	4,912,302	201,393	-	5,113,695
Vehicles	7,109,003	1,040,080	-	8,149,083
Infrastructure	36,007,708	4,312,219	-	40,319,927
Total capital assets being depreciated	<u>145,711,757</u>	<u>7,312,481</u>	<u>-</u>	<u>153,024,238</u>
Less accumulated depreciation for:				
Buildings and improvements	27,891,507	2,084,197	-	29,975,704
Machinery and equipment	3,610,211	293,190	-	3,903,401
Vehicles	5,557,447	348,817	-	5,906,264
Infrastructure	23,095,410	1,119,008	-	24,214,418
Total accumulated depreciation	<u>60,154,575</u>	<u>3,845,212</u>	<u>-</u>	<u>63,999,787</u>
Total capital assets, being depreciated, net	85,557,182	3,467,269	-	89,024,451
Governmental activities capital assets, net	<u>\$ 91,394,163</u>	<u>\$ 7,523,837</u>	<u>\$ (2,618,108)</u>	<u>\$ 96,299,892</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Buildings and improvements	\$ 9,458,649	\$ -	\$ -	\$ 9,458,649
Land improvements	222,630	-	-	222,630
Machinery and equipment	9,946,961	-	-	9,946,961
Licensed vehicles	479,847	-	-	479,847
Total capital assets, being depreciated	<u>20,108,087</u>	<u>-</u>	<u>-</u>	<u>20,108,087</u>
Less accumulated depreciation for:				
Buildings and improvements	5,320,554	191,337	-	5,511,891
Land improvements	222,630	-	-	222,630
Machinery and equipment	8,557,648	340,313	-	8,897,961
Licensed vehicles	479,850	-	-	479,850
Total accumulated depreciation	<u>14,580,682</u>	<u>531,650</u>	<u>-</u>	<u>15,112,332</u>
Business-type activities capital assets, net	<u>\$ 5,527,405</u>	<u>\$ (531,650)</u>	<u>\$ -</u>	<u>\$ 4,995,755</u>

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	\$ 38,452
Public works	1,038,207
Public safety	538,330
Recreatio and culture	76,904
Board of Education	2,153,319
Total depreciation expense - governmental activities	<u>\$ 3,845,212</u>
Business-type activities:	
Sewer operating	<u>\$ 531,650</u>

Interfund receivables, payables and transfers: The composition of interfund balances as of June 30, 2019 is as follows:

	Due From Other Funds	Due To Other Funds
General fund	\$ 1,839,616	\$ 509,164
Rimmon Road Improvement Fund	-	1,700,000
Internal Service fund	400,000	-
Nonmajor governmental funds	292,372	322,824
	<u>\$ 2,531,988</u>	<u>\$ 2,531,988</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	
	Nonmajor and Other Funds	Total
Transfers out:		
General fund	\$ 680,389	\$ 680,389
Nonmajor and other funds	499,999	499,999
	<u>\$ 1,180,388</u>	<u>\$ 1,180,388</u>

Interfund transfers from the General Fund are generally used to supplement revenues of other funds as need arises.

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, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 37,335,000	\$ 495,000	\$ (1,900,000)	\$ 35,930,000	\$ 2,079,000
Premiums	2,812,885	-	(321,185)	2,491,700	-
Total bonds payable	40,147,885	495,000	(2,221,185)	38,421,700	2,079,000
Notes payable	315,000	-	(105,000)	210,000	105,000
Capital leases	496,250	8,807,016	(42,073)	9,261,193	302,170
Compensated absences	3,493,485	544,389	(390,014)	3,647,860	729,572
Net OPEB liability	41,661,281	3,742,001	-	45,403,282	-
Workers compensation/ dental claims	2,572,634	-	(406,134)	2,166,500	52,996
Net pension liability	3,102,889	15,288,260	-	18,391,149	-
Retirement obligations	130,207	366,836	(101,777)	395,266	101,777
Claims and MERS payable	185,125	-	-	185,125	-
Total governmental activities	<u>\$ 92,104,756</u>	<u>\$ 29,243,502</u>	<u>\$ (3,266,183)</u>	<u>\$ 118,082,075</u>	<u>\$ 3,370,515</u>

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, 2019
Refunding Bonds	2014	2019	2%-5%	\$ 5,270,000	\$965,000-\$1,090,000	\$ 655,000
Refunding Bonds issued 2010B	2010	2025	2.0%-5.0%	12,145,000	\$520,000-\$945,000	4,915,000
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	1,215,000
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
General Obligation Bonds	2019	2024	3.1%	495,000	99,000	495,000
Total outstanding						<u>\$ 35,930,000</u>

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

Years ending June 30:	Governmental Activities	
	Principal	Interest
2020	2,079,000	1,221,556
2021	2,089,000	1,150,618
2022	2,264,000	1,082,916
2023	2,344,000	1,004,651
2024	2,434,000	914,731
2025-2029	9,240,000	3,426,189
2030-2034	7,280,000	2,151,413
2035-2039	5,585,000	962,544
2040-2043	2,615,000	171,763
	<u>\$ 35,930,000</u>	<u>\$ 12,086,381</u>

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

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, 2019, the amount of defeased debt outstanding, but removed from the Town's government-wide financial statements was approximately \$8,165,000.

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 Limitation	Indebtedness	Balance
General purpose	\$ 98,489,655	\$ 14,146,017	\$ 84,343,638
Schools	196,979,310	20,413,289	176,566,021
Sewers	164,149,425	1,977,712	162,171,713
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 prior year 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 has 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:

	Notes Payable	
	Principal	Interest
Years ending June 30:		
2020	\$ 105,000	\$ 1,838
2021	105,000	918
	<u>\$ 210,000</u>	<u>\$ 2,756</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, 2019 were as follows:

Outstanding July 1, 2018	\$ -
New borrowings	499,999
Repayments	(499,999)
Outstanding June 30, 2019	<u><u>\$ -</u></u>

Authorized but unissued bonds: The total of authorized but unissued bonds at June 30, 2019 is \$397,018. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Capital leases: The Town has entered into multi-year capital leases for the purchase of various capital items including streetlights and energy performance equipment.

The capitalized value of property under capital leases is summarized below:

	<u>Governmental</u>
	<u>Activities</u>
Asset:	
Equipment	\$ 4,686,610
Less accumulated depreciation	36,753
Total	<u><u>\$ 4,649,857</u></u>

Future minimum lease payments under capital leases are as follows:

Capital lease future payments	<u>Amount</u>
Years ending June 30:	
2020	\$ 632,939
2021	644,490
2022	656,376
2023	690,605
2024	703,187
2025-2029	3,657,669
2030-2034	3,641,080
2035-2037	2,123,547
Total	<u>12,749,893</u>
Less portion representing interest	3,488,700
Total future principal payments	<u><u>\$ 9,261,193</u></u>

Town of Seymour, Connecticut

Notes to Financial Statements

Note 2. Detailed Notes on All Funds (Continued)

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 \$14,997 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, 2019, 11 individuals are receiving benefits under this plan through 2020. A liability of \$395,266 is accrued in the government-wide statement of net position.

Deficit fund equity: For the year ended June 30, 2019, the following funds had deficit balances:

Rimmon Road improvement	\$ 1,062,613
Police private duty	168,303
Building improvement fund	110,680

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

Note 3. Employee Retirement Plans

State of Connecticut Employees' Retirement System:

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	6/30/2018
Measurement date	6/30/2018
Actuarial cost method	Entry Age Normal
Investment rate return*	7.00%, net of investment related expense
Projected salary increases*	3.50-10.00%
Social Security Wage Base	3.50%
* Includes inflation at 2.5%	

Mortality- For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used. The static projection produces sufficient margin in the mortality rates to reflect future improvement in our judgement.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Future Cost-of-Living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

Discount rate: the discount rate used to measure the total pension liability was 7.00 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 25,695,927	\$ 18,391,149	\$ 10,674,687

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
Domestic Equity	20%	5.3%
Developed Market International	11%	5.1%
Emerging markets (non-U.S.)	9%	7.4%
Core fixed income	16%	1.6%
Inflation linked bond fund	5%	1.3%
Emerging market bond	5%	2.9%
High yield bonds	6%	3.4%
Real estate	10%	4.7%
Private equity	10%	7.3%
Alternative investments	7%	3.2%
Liquidity fund	1%	0.9%
	100.00%	

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, 2019, the Town reported a liability of \$18,391,149 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, 2018, which was projected forward to the measurement date of June 30, 2018, 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 2019 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2019 and 2018, the Town's proportion was 5.6% and 5.7%, respectively.

For the year ended June 30, 2019, the Town recognized pension expense of \$9,435,750. At June 30, 2019, 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	\$ 2,128,809	\$ (328,679)
Difference between expected and actual investment earnings	1,062,551	-
Change in proportion and differences between Employer Contributions and Proportionate Share of contributions	131,850	(281,002)
Changes in assumptions	6,328,511	-
Town contributions made subsequent to the measurement date	1,572,425	-
Total	<u>\$ 11,224,146</u>	<u>\$ (609,681)</u>

\$1,572,425 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2020. 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:	
2020	\$ 2,926,842
2021	2,480,434
2022	1,652,818
2023	1,981,946

Contribution payable: The Town has recorded a contribution payable to the Plan of \$4,100.

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.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

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.

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).

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 \$16,989,000.

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

Town of Seymour, Connecticut

Notes to Financial Statements

Note 3. Employee Retirement Plans (Continued)

Actuarial assumptions: The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2018, 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

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The 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%
	100.0%	

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 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.

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	<u>\$ 65,404,701</u>	<u>\$ 51,751,673</u>	<u>\$ 40,205,716</u>

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 Statement No. 68 and the State is treated as a non-employer contributing entity in the System. Since the employers 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 \$51,751,673 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, 2019, the Town recognized \$5,808,211, reported as intergovernmental revenue in the General fund, 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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 2.75% to 2.50%.
2. Reduce the real rate of return assumption from 5.25% to 4.40 % which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
3. Increase the annual rate of wage increase assumption from 0.50% to 0.75%.

Demographic assumptions:

None

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. There is no formal oversight board established. The plan does not issue separate financial statements.

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

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

Funding policy: The contribution requirements of plan members and the Town are negotiated with the various unions representing the employees.

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:

	<u>Medical Benefit Plan</u>
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%
Discount rate	3.50%
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, 2019.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

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

Net OPEB Liability:	
Total OPEB liability	\$ 45,454,253
Plan fiduciary net position	50,971
Net OPEB Liability	<u>45,403,282</u>
Plan fiduciary net position as a % of total OPEB liability	0.11%
Covered payroll	19,085,936
Net OPEB liability a % of covered payroll	237.89%

Discount rate: The discount rate to measure the total OPEB liability was 3.50%. The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Assumed rate of return: The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2017, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
U.S. Equity Market	44.5%	4.61%	3.32%
U.S. Core Bonds	34.7%	2.29%	2.13%
Non- U.S. Equity	15.4%	5.81%	4.11%
Non- U.S. Bonds	3.5%	0.38%	-0.17%
U.S. Cash	1.9%	0.36%	0.35%
	<u>100.00%</u>		
Assumed Inflation- Mean		2.75%	2.75%
Assumed Inflation- Standard Deviation		1.90%	1.90%
Portfolio Real Mean Return		3.76%	3.24%
Portfolio Nominal Mean Return		6.53%	6.06%
Portfolio Standard Deviation			10.04%
Long-Term Expected Rate of Return			3.50%

Rate of return: For the year ended June 30, 2019, the annual money-weighted rate of return on OPEB plan investments, net of pension plan investment expense, was 11.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Seymour, Connecticut

Notes to Financial Statements

Note 4. Other Post-Employment Benefits (Continued)

Changes in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Changes in the Net OPEB liability:			
Balances at June 30, 2018	\$ 41,661,281	\$ -	\$ 41,661,281
Changes for the year:			
Service cost	1,201,485	-	1,201,485
Interest	1,633,716	-	1,633,716
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	2,265,936	-	2,265,936
Benefit payments	(1,308,165)	(1,308,165)	-
Employer contributions	-	1,358,165	(1,358,165)
Member contributions	-	-	-
Net investment income	-	971	(971)
Administrative expenses	-	-	-
Net changes	3,792,972	50,971	3,742,001
Balances at June 30, 2019	<u>\$ 45,454,253</u>	<u>\$ 50,971</u>	<u>\$ 45,403,282</u>

Sensitivity of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Town, calculated using the discount rate of 3.50%, as well as what the Town's net 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	Current	1% Increase
	2.50%	Discount Rate 3.50%	4.50%
Net OPEB liability as of June 30, 2019	\$ 52,485,091	\$ 45,403,282	\$ 39,648,703

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

	1% Decrease	Trend Rates	1% Increase
	(6.69% decreasing 3.40%)	(7.69% decreasing to 4.40%)	(8.69% decreasing to 5.40%)
Net OPEB liability as of June 30, 2019	\$ 38,518,596	\$ 45,403,282	\$ 54,075,007

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, 2019, the Town recognized OPEB expense of \$1,931,811. At June 30, 2019, 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	\$ 1,946,790	\$ (1,285,135)	\$ 661,655
Net difference between projected and actual earnings on OPEB plan investments	-	(10)	(10)
	<u>\$ 1,946,790</u>	<u>\$ (1,285,145)</u>	<u>\$ 661,645</u>
Years ending June 30:			
2020			\$ 97,568
2021			97,568
2022			97,568
2023			97,570
2024			97,571
Thereafter			173,800
			<u>\$ 661,645</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.

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, 2019, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	10,345,455
	<u>\$ 10,345,455</u>

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

For the year ended June 30, 2019, the Town recognized OPEB expense and (revenue) of \$(3,436,754) in Exhibit IV, in General Fund intergovernmental revenue, 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, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	5.95% decreasing to 4.75% by 2025 5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will Be depleted	2019

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

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 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 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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, 2019.

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, 2019, this amount was \$2,166,500.

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
2019	\$ 2,572,634	\$ 285,675	\$ 691,809	\$ 2,166,500
2018	\$ 1,707,673	\$ 1,876,432	\$ 1,011,471	\$ 2,572,634

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, 2019, the base contract commitment is approximately \$1,363,512 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. 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. 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.

GASB Statement No. 91, *Conduit Debt Obligations*. In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The Town is not an issuer of conduit debt; therefore, this Statement will have no effect on its financial statements.

**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, 2019

	General Fund			
	Original	Final	Actual Budgetary Basis	Variance With Final Budget
Revenues:				
Property taxes	\$ 43,740,690	\$ 43,740,690	\$ 43,850,130	\$ 109,440
Interest and lien fees	375,000	375,000	322,769	(52,231)
Intergovernmental	10,331,818	10,331,818	10,886,012	554,194
Investment income	100,000	100,000	116,999	16,999
Permits, fees and other	1,185,567	1,185,567	1,183,335	(2,232)
Other	60,000	60,000	117,359	57,359
Total revenues	55,793,075	55,793,075	56,476,604	683,529
Expenditures:				
Current:				
General government	3,055,119	3,052,568	2,987,887	64,681
Public safety	4,992,632	4,992,632	4,940,668	51,964
Public works	2,141,268	2,184,139	2,182,113	2,026
Sanitation	1,154,659	1,217,960	1,217,879	81
Sundry	7,085,919	7,091,171	7,063,018	28,153
Capital Outlay	560,000	585,000	325,001	259,999
Contingency	158,269	24,396	27,361	(2,965)
Education	33,379,892	33,522,368	33,522,368	-
Debt service	3,665,317	3,665,317	3,665,392	(75)
Total expenditures	56,193,075	56,335,551	55,931,687	403,864
Revenues over (under) expenditures	(400,000)	(542,476)	544,917	1,087,393
Other financing sources (uses):				
Unassigned fund balance	400,000	542,476	-	(542,476)
Total financing sources (uses)	400,000	542,476	-	(542,476)
Net increase in budgetary fund balance	\$ -	\$ -	544,917	\$ 544,917
Budgetary fund balance, beginning			1,727,644	
Budgetary fund balance, ending			\$ 2,272,561	

See note to required supplementary information.

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

Measurement Period Ended June 30,	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,572,425	\$ 1,481,189	\$ 1,436,397	\$ 1,750,607	\$ 1,334,602	\$ 1,103,981
Contribution in relation to the actuarially determined contribution	1,572,425	1,481,189	1,436,397	1,750,607	1,334,602	1,102,981
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
Covered Payroll	\$ 12,670,231	\$ 11,874,119	\$ 11,357,359	\$ 10,223,171	\$ 10,080,165	\$ 10,080,165
Contributions as a percentage of covered payroll	12.41%	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 Five Fiscal Years**

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	5.564655%	5.706612%	5.706612%	5.513270%	5.605805%
Town's proportionate share of the net pension liability	\$ 18,391,149	\$ 3,102,888	\$ 4,595,035	\$ 2,052,425	\$ 474,167
Town's covered payroll	\$ 12,670,231	\$ 11,584,506	\$ 11,357,359	\$ 10,223,171	\$ 10,080,165
Town's proportionate share of the net pension liability as a percentage of its covered payroll	145.15%	26.78%	40.46%	20.08%	4.70%
System fiduciary net position as a percentage of the total pension liability	73.60%	91.68%	88.29%	92.72%	92.72%

Note to Schedule

Valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Salary increase	3.50 -10.00 percent, including inflation
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Asset valuation method	Market value on the measurement date.
Assumption changes	Change in the discount rate from 8.00% to 7.00% and post-retirement mortality assumptions.
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 Five Fiscal Years**

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0%	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	51,751,673	52,940,254	55,852,374	43,706,244	40,397,644
Total	\$ 51,751,673	\$ 52,940,254	\$ 55,852,374	\$ 43,706,244	\$ 40,397,644
Town's covered-employee payroll	\$ 16,989,415	\$ 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%	0%
System fiduciary net position as a percentage of the total pension liability	57.69%	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	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75 percent
Salary increase	3.25-6.50 percent, including inflation
Investment rate of return	8.00 percent, net of investment related expense

Changes in benefit terms: Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.

Changes in Assumptions: In 2018, inflation, real estate rate of return, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2015 in combination with current economic conditions.

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 Net OPEB Liability and Related Ratios
Last Two Fiscal Years*

	2019	2018
Changes in Net OPEB Liability		
Total OPEB liability:		
Service cost	\$ 1,201,485	\$ 1,247,177
Interest	1,633,716	1,521,824
Changes of assumptions	2,265,936	(1,728,285)
Benefit payments, including refunds of member contributions	(1,308,165)	(1,271,413)
Net change in total OPEB liability	<u>3,792,972</u>	<u>(230,697)</u>
Total OPEB liability, beginning	<u>41,661,281</u>	<u>41,891,978</u>
Total OPEB liability, ending	<u><u>\$ 45,454,253</u></u>	<u><u>\$ 41,661,281</u></u>
Employer contributions	1,358,165	-
Net Investment income	971	-
Benefit payments	(1,308,165)	-
Net change in plan fiduciary net position	<u>50,971</u>	<u>-</u>
Fiduciary net position, beginning	-	-
Fiduciary net position, ending	50,971	-
Net OPEB liability, ending	<u>45,403,282</u>	<u>41,661,281</u>
Covered payroll	<u><u>\$ 19,085,936</u></u>	<u><u>\$ 19,085,936</u></u>
Net OPEB liability as a % of covered payroll	237.89%	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 Employer Contributions- OPEB
Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined employer contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the ADEC	1,358,165	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	(1,358,165)	-	-	-	-	-	-	-	-	-
Covered payroll	\$19,085,936	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contribution as % of covered payroll	7.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The OPEB trust was set up in May 2019. The components of this schedule will be developed going forward.

Notes to Schedule

Actuarial Assumptions

Valuation Date:	July 1, 2017
Measurement Date:	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Inflation	2.75%
Discount rate	3.50%
Healthcare Trend Rates	7.69% to 4.40% over 65 years
Salary increases	Graded scale for Certified BOE, 3.5% for all others

**Required Supplementary Information - unaudited
Schedule of Investment Returns- OPEB
Last Fiscal Year***

2019

Annual money-weighted rate of return,
net of investment expense

11.97%

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 the Town's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan
Last Two Fiscal Years*

	2019	2018
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	10,345,455	16,626,233
Total	\$ 10,345,455	\$ 16,626,233
Town's covered-employee payroll	\$ 16,023,617	\$ 16,780,192
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

Required Supplementary Information - unaudited

Notes to Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan

Changes in benefit terms	<p>The Plan was amended by the Board, effective July 1, 2018, during the January 11, 2018 meeting. The Board action added the Anthem Medicare Advantage Plan to the available options under the Plan, changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a System sponsored healthcare plan for those who cancel their coverage or choose not to enroll in a healthcare coverage option on or after the effective date. These changes were communicated to retired members during the months leading up to a special open enrollment period that preceded the July 1, 2018 implementation date.</p>
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the TOL as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age related annual percentage increases in expected annual per capita healthcare claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term healthcare cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored healthcare plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disablement mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred vested members who will become ineligible for future healthcare benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

Note: This schedule is intended to 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 \$142,476 were made during fiscal year ended June 30, 2019.

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	\$ 56,476,604	\$ 55,931,687	\$ 2,272,561
Encumbrances outstanding at June 30, 2018, liquidated during the year ended June 30, 2019	-	888,191	(16,926)
Encumbrances outstanding at June 30, 2019, charged to budgetary expenditures during the year ended June 30, 2019	-	(578,443)	578,443
State teachers' retirement on-behalf payment for pension and OPEB	2,371,457	2,371,457	-
Balance, GAAP basis	<u>\$ 58,848,061</u>	<u>\$ 58,612,892</u>	<u>\$ 2,834,078</u>

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**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, 2019

	General Fund			
	Original	Final	Actual Budgetary Basis	Variance With Final Budget
Revenues:				
Property taxes	\$ 43,740,690	\$ 43,740,690	\$ 43,850,130	\$ 109,440
Interest and lien fees	375,000	375,000	322,769	(52,231)
Intergovernmental:				
Education:				
Education Tuition	-	-	9,602	9,602
Education Block Grant	9,525,000	9,525,000	10,182,850	657,850
Total education	9,525,000	9,525,000	10,192,452	667,452
Other:				
State provided highway (Town Aid Road)	296,588	296,588	297,506	918
Enterprise Zone program	5,000	5,000	-	(5,000)
Mashantucket Pequot fund	67,844	67,844	24,111	(43,733)
Property tax loss	-	-	39,678	39,678
State distribution of a telephone tax	30,000	30,000	23,919	(6,081)
Circuit Breaker program	100,000	100,000	-	(100,000)
Judicial fines	3,000	3,000	4,337	1,337
Motor Vehicle Property Grants	281,186	281,186	281,186	-
Pilot Program- Smith/Ray House	-	-	5,726	5,726
Veterans exemption	20,000	20,000	14,940	(5,060)
Disabled exemption	3,200	3,200	2,157	(1,043)
Total other	806,818	806,818	693,560	(113,258)
Total intergovernmental	10,331,818	10,331,818	10,886,012	554,194
Permits, fees and other:				
Real Estate Conveyance	125,000	125,000	158,102	33,102
Pistol Permits	10,000	10,000	4,871	(5,129)
Raffle Permits	-	-	285	285
Fire Marshall Permits and fees	3,000	3,000	3,055	55
Dept. of Public Works	2,000	2,000	14,950	12,950
Parking Stickers	3,500	3,500	3,432	(68)
Town Clerk	130,000	130,000	117,168	(12,832)
Planning & Zoning	10,000	10,000	16,686	6,686
Zoning Board of Appeals	1,000	1,000	4,530	3,530
Inland Wetlands	3,000	3,000	2,640	(360)
Town Clerks - WPCA liens	6,500	6,500	-	(6,500)
Building Inspector	150,000	150,000	239,167	89,167
Transfer Station - Commercial	50,000	50,000	26,755	(23,245)
Residential Transfer Station	20,000	20,000	13,569	(6,431)
Revenue from recycling	12,000	12,000	34,425	22,425

(Continued)

Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis (Continued)
General Fund
For the Year Ended June 30, 2019

	General Fund			
	Original	Final	Actual Budgetary Basis	Variance With Final Budget
Permits, fees and other (Continued):				
Police Reports	\$ 1,000	\$ 1,000	\$ 1,028	\$ 28
Miscellaneous	10,000	10,000	15,440	5,440
Sale of surplus property	-	-	5,307	5,307
Boys and Girls Club - Rent	3,900	3,900	1,275	(2,625)
Valley Health Districts - Rent	17,500	17,500	18,375	875
Ordinance fines	100	100	198	98
Parking Fines	6,500	6,500	7,465	965
Sewer Assessments	290,000	290,000	241,678	(48,322)
Water Assessment	175,000	175,000	87,794	(87,206)
Water Assessment Interest	25,000	25,000	14,465	(10,535)
Recreation and Senior activities	130,567	130,567	150,675	20,108
Total permits, fees and other	1,185,567	1,185,567	1,183,335	(2,232)
Interest and dividends:				
Interest General Fund	100,000	100,000	116,999	16,999
Total interest and dividends	100,000	100,000	116,999	16,999
Other:				
Sale of surplus property	-	-	-	-
Police administration fees	60,000	60,000	117,359	57,359
Total other	60,000	60,000	117,359	57,359
Other financing sources:				
Transfer in	300,000	300,000	-	(300,000)
Use of fund balance	100,000	242,476	-	(242,476)
Total other financing sources	400,000	542,476	-	(542,476)
Total revenues and other financing sources	\$ 56,193,075	\$ 56,335,551	\$ 56,476,604	\$ 141,053

Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2019

	Budgeted Amount		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
General Government:				
Planning & Zoning	\$ -	\$ -	\$ -	\$ -
Board of Finance	73,500	73,500	73,377	123
Town Meetings Public Hearings	4,200	4,200	3,190	1,010
Probate Court	17,000	17,000	16,809	191
Selectmen's Office	373,624	338,953	330,292	8,661
Economic Development	79,850	79,850	72,533	7,317
Economic Development Commission	2,500	2,500	-	2,500
Registrars of Voters	78,500	78,500	69,163	9,337
Finance Department	286,056	286,056	284,107	1,949
Tax Collector	170,054	170,054	164,035	6,019
Town Treasurer	5,200	5,200	5,200	-
Assessors Office	194,109	194,109	191,373	2,736
Board of Assessment Appeals	150	150	50	100
Town Counsel	300,000	300,000	300,000	-
Town Clerk	155,551	155,551	148,951	6,600
Printing & Legal Ads	15,000	15,000	13,799	1,201
Town Planner	35,000	-	-	-
Town Computers	154,716	154,716	154,447	269
Town Buildings	478,896	507,873	502,173	5,700
Town Engineer	107,840	107,840	107,838	2
Town Buildings Utilities	300,500	300,500	300,500	-
Office of Compliance	172,873	211,016	200,050	10,966
Senior citizens freeze	50,000	50,000	50,000	-
Total general government	3,055,119	3,052,568	2,987,887	64,681
Public Safety:				
Police Department	4,191,365	4,191,365	4,157,607	33,758
Communication Commission	182,179	182,179	181,863	316
Emergency Management	27,261	27,261	26,148	1,113
EMS Commission	200	200	-	200
Seymour Ambulance	80,500	80,500	78,462	2,038
Valley Emergency Medical Services	31,827	31,827	31,827	-
Lake Authority	19,616	19,616	19,616	-
Fire Department	317,870	317,870	312,424	5,446
Fire Marshal	141,814	141,814	132,721	9,093
Total public safety	4,992,632	4,992,632	4,940,668	51,964
Public Works:				
Highway wages/maintenance	1,848,891	1,891,762	1,889,736	2,026
Street lighting	75,000	75,000	75,000	-
Highway materials	69,977	69,977	69,977	-
Parks	147,400	147,400	147,400	-
Total public works	2,141,268	2,184,139	2,182,113	2,026

Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis (Continued)
General Fund
For the Year Ended June 30, 2019

	Budgeted Amount		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Sanitation:				
Waste collection	\$ 108,977	\$ 102,858	\$ 102,777	\$ 81
Sanitation	1,045,682	1,115,102	1,115,102	-
Total sanitation	1,154,659	1,217,960	1,217,879	81
Sundry:				
Valley Health Department	113,250	113,250	113,250	-
Dog Warden Canine Office	80,864	80,864	80,864	-
Town Health Contributions	13,405	13,405	13,209	196
Town Insurance	1,779,973	1,779,973	1,779,402	571
Town Contributions	29,350	29,350	26,350	3,000
Water - Fire Hydrants	393,716	393,716	393,716	-
Recreation Commission	430,992	430,992	418,260	12,732
Culture & Arts Commission	20,600	20,600	19,401	1,199
Recreation Program Contributions	46,500	46,500	46,500	-
Library	359,899	359,899	346,582	13,317
Valley Council of Governments	6,984	6,984	6,804	180
Personnel benefits	3,810,386	3,815,638	3,818,680	(3,042)
Total sundry	7,085,919	7,091,171	7,063,018	28,153
Capital Non-Recurring	560,000	585,000	325,001	259,999
Town Contingency	158,269	24,396	27,361	(2,965)
Debt Service	3,665,317	3,665,317	3,665,392	(75)
Education	33,379,892	33,522,368	33,522,368	-
Total expenditures and other financing uses	\$ 56,193,075	\$ 56,335,551	\$ 55,931,687	\$ 403,864

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.

STEAP Grants

To account for state grants 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.

Streetlight Maintenance Fund

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

Grants and Donations

To account for miscellaneous private grants and donations.

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)

Blight Fund

To account for blight fines that are used to fix up blighted properties.

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 Funds

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.

Road Projects

To account for funds associated with road repairs and maintenance.

Debt Service Fund

Debt Service

To account for and report resources for the payment of future debt service payments.

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Town of Seymour, Connecticut

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019

	Special Revenue Funds			
	LOCIP	Open Space	STEAP Grants	Small Cities Fund
Assets				
Cash	\$ 113,561	\$ 26,833	\$ 11,688	\$ -
Investments	-	-	-	-
Receivables:				
Accounts and other	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	1	-	-	-
Inventory	-	-	-	-
Total assets	\$ 113,562	\$ 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	113,562	-	11,688	-
Committed	-	26,833	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	113,562	26,833	11,688	-
Total liabilities, deferred inflows of of resources and fund balances (deficits)	\$ 113,562	\$ 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	Streetlight Maintenance	
\$ 123,705	\$ 15,062	\$ 71,470	\$ 172,763	\$ 112,110	\$ 30,625	\$ -	
-	-	138,335	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	42,896	71,010	-	-	
-	-	-	-	-	-	157,127	
-	-	-	-	10,344	-	-	
<u>\$ 123,705</u>	<u>\$ 15,062</u>	<u>\$ 209,805</u>	<u>\$ 215,659</u>	<u>\$ 193,464</u>	<u>\$ 30,625</u>	<u>\$ 157,127</u>	
\$ -	\$ 3,884	\$ -	\$ 137,304	\$ 24,214	\$ -	\$ -	
-	-	-	-	-	-	-	
-	-	-	70,211	-	-	-	
-	3,884	-	207,515	24,214	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	10,344	-	-	
123,705	-	-	8,144	-	30,625	-	
-	11,178	209,805	-	158,906	-	157,127	
-	-	-	-	-	-	-	
<u>123,705</u>	<u>11,178</u>	<u>209,805</u>	<u>8,144</u>	<u>169,250</u>	<u>30,625</u>	<u>157,127</u>	
<u>\$ 123,705</u>	<u>\$ 15,062</u>	<u>\$ 209,805</u>	<u>\$ 215,659</u>	<u>\$ 193,464</u>	<u>\$ 30,625</u>	<u>\$ 157,127</u>	

(Continued)

Town of Seymour, Connecticut

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

June 30, 2019

	Special Revenue Funds				
	Grants and Donations Fund	Eversource Energy Community Grant Fund	Community Policing Fund	Blight Fund	Private Duty
Assets					
Cash	\$ 385,303	\$ 1,229	\$ 206,464	\$ 44,775	\$ -
Investments	-	-	-	-	-
Receivables:					
Accounts and other	-	-	-	-	88,828
Due from other governments	-	-	-	-	-
Due from other funds	11,123	13,732	-	-	-
Inventory	-	-	-	-	-
Total assets	\$ 396,426	\$ 14,961	\$ 206,464	\$ 44,775	\$ 88,828
Liabilities					
Accounts and other payables/due to State	\$ 9,702	\$ 4,961	\$ -	\$ -	\$ -
Due to other funds	157,280	-	-	-	151,812
Unearned revenue	16,159	-	-	-	-
Total liabilities	183,141	4,961	-	-	151,812
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	105,319
Total deferred inflows of resources	-	-	-	-	105,319
Fund balances (deficits):					
Nonspendable	-	-	-	-	-
Restricted	213,285	-	-	-	-
Committed	-	10,000	206,464	44,775	-
Unassigned	-	-	-	-	(168,303)
Total fund balances (deficits)	213,285	10,000	206,464	44,775	(168,303)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 396,426	\$ 14,961	\$ 206,464	\$ 44,775	\$ 88,828

Exhibit B-1

Special Revenue Funds				Capital Project Funds	
Greenway Trail Fund	Building Maintenance	BRRFOC Fund	Downtown Revitalization	Capital Projects	Underground Gas and Oil Tanks Fund
\$ 27,122	\$ 144,864	\$ 120,565	\$ 41,226	\$ 333,673	\$ 68,120
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	19,283
-	-	-	-	-	-
<u>\$ 27,122</u>	<u>\$ 144,864</u>	<u>\$ 120,565</u>	<u>\$ 41,226</u>	<u>\$ 333,673</u>	<u>\$ 87,403</u>
\$ -	\$ 14,850	\$ 4,066	\$ -	\$ 80,829	\$ -
-	13,732	-	-	-	-
-	-	-	-	-	-
-	28,582	4,066	-	80,829	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,122	-	116,499	-	252,844	-
-	116,282	-	41,226	-	87,403
-	-	-	-	-	-
<u>27,122</u>	<u>116,282</u>	<u>116,499</u>	<u>41,226</u>	<u>252,844</u>	<u>87,403</u>
<u>\$ 27,122</u>	<u>\$ 144,864</u>	<u>\$ 120,565</u>	<u>\$ 41,226</u>	<u>\$ 333,673</u>	<u>\$ 87,403</u>

(Continued)

Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2019

	Capital Projects Funds				Totals
	Building Improvement Fund	Chatfield LoPresti Building Fund	Road Projects	Debt Service	
Assets					
Cash	\$ 72,865	\$ 530,894	\$ 447,008	\$ 1,803,273	\$ 4,905,198
Investments	-	-	-	-	138,335
Receivables:					
Accounts and other	-	-	-	-	88,828
Due from other governments	-	-	-	-	113,906
Due from other funds	-	-	-	91,106	292,372
Inventory	-	-	-	-	10,344
Total assets	\$ 72,865	\$ 530,894	\$ 447,008	\$ 1,894,379	\$ 5,548,983
Liabilities					
Accounts and other payables/due to State	\$ 183,545	\$ -	\$ 6,900	\$ -	\$ 470,255
Due to other funds	-	-	-	-	322,824
Unearned revenue	-	-	-	-	86,370
Total liabilities	183,545	-	6,900	-	879,449
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	105,319
Total deferred inflows of resources	-	-	-	-	105,319
Fund balances (deficits):					
Nonspendable	-	-	-	-	10,344
Restricted	-	530,894	440,108	1,894,379	3,762,855
Committed	-	-	-	-	1,069,999
Unassigned	(110,680)	-	-	-	(278,983)
Total fund balances (deficits)	(110,680)	530,894	440,108	1,894,379	4,564,215
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 72,865	\$ 530,894	\$ 447,008	\$ 1,894,379	\$ 5,548,983

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Town of Seymour, Connecticut

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019**

	Special Revenue Funds			
	LOCIP	Open Space	STEAP Grant	Small Cities Fund
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	92,558
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	-	92,558
Expenditures:				
Current:				
General government	-	-	-	92,558
Public safety	-	-	-	-
Public works	6,000	-	-	-
Education	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	45,359	-	-	-
Total expenditures	51,359	-	-	92,558
Revenue over (under) expenditures	(51,359)	-	-	-
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances (deficits)	(51,359)	-	-	-
Fund balance (deficit), beginning of year	164,921	26,833	11,688	-
Fund balance (deficit), end of year	\$ 113,562	\$ 26,833	\$ 11,688	\$ -

Special Revenue Funds							
HUD Small Cities Grant Fund	Dog Fund	Library Fund	Education Grants Fund	School Lunch Fund	Police Seizure Fund	Streetlight Maintenance	
\$ -	\$ -	\$ -	\$ 2,339,558	\$ 522,774	\$ -	\$ -	
-	6,817	120,722	-	507,309	-	-	-
-	-	3,292	-	-	8	-	-
-	-	-	-	-	4,137	157,127	-
-	6,817	124,014	2,339,558	1,030,083	4,145	157,127	-
-	-	46,712	-	-	-	-	-
-	3,935	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	65,288	2,383,681	1,001,225	-	-	-
-	-	-	-	-	-	-	-
-	3,935	112,000	2,383,681	1,001,225	-	-	-
-	2,882	12,014	(44,123)	28,858	4,145	157,127	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,882	12,014	(44,123)	28,858	4,145	157,127	-
123,705	8,296	197,791	52,267	140,392	26,480	-	-
\$ 123,705	\$ 11,178	\$ 209,805	\$ 8,144	\$ 169,250	\$ 30,625	\$ 157,127	-

(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, 2019

	Special Revenue Funds				
	Grants and Donations Fund	Eversource Energy Community Grant Fund	Community Policing Fund	Blight Fund	Private Duty
Revenues:					
Intergovernmental	\$ 573	\$ -	\$ 3,200	\$ -	\$ -
Charges for services	53,575	-	-	-	732,553
Investment income	-	-	53	-	-
Other	130,117	-	43,792	-	-
Total revenues	184,265	-	47,045	-	732,553
Expenditures:					
Current:					
General government	154,493	-	-	-	-
Public safety	-	-	14,986	16,918	831,862
Public works	17,146	-	-	-	-
Education	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	9,954	-	-	-	-
Total expenditures	181,593	-	14,986	16,918	831,862
Revenue over (under) expenditures	2,672	-	32,059	(16,918)	(99,309)
Other financing sources (uses):					
Issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances (deficits)	2,672	-	32,059	(16,918)	(99,309)
Fund balance (deficit), beginning of year	210,613	10,000	174,405	61,693	(68,994)
Fund balance (deficit), end of year	\$ 213,285	\$ 10,000	\$ 206,464	\$ 44,775	\$ (168,303)

Exhibit B-2

Special Revenue Funds				Capital Projects Funds	
Greenway Trail Fund	Building Maintenance	BRRFOC Fund	Downtown Revitalization	Capital Projects	Underground Gas and Oil Tanks Fund
\$ 15,104	\$ -	\$ -	\$ 35,362	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	3,870	-	-	1,199	-
15,104	3,870	-	35,362	1,199	-
-	-	5,496	-	7,193	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	500	-
6,388	143,228	62,253	-	1,282,825	-
6,388	143,228	67,749	-	1,290,518	-
8,716	(139,358)	(67,749)	35,362	(1,289,319)	-
-	-	-	-	400,000	-
-	100,000	-	-	799,999	39,283
-	-	-	-	-	-
-	100,000	-	-	1,199,999	39,283
8,716	(39,358)	(67,749)	35,362	(89,320)	39,283
18,406	155,640	184,248	5,864	342,164	48,120
\$ 27,122	\$ 116,282	\$ 116,499	\$ 41,226	\$ 252,844	\$ 87,403

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Capital Project Funds			Debt Service	Totals
	Building Improvement Fund	Chatfield LoPresti Building Fund	Road Projects		
Revenues:					
Intergovernmental	\$ 101,250	\$ -	\$ -	\$ -	\$ 3,110,379
Charges for services	-	-	-	-	1,420,976
Investment income	-	-	4,927	12,061	20,341
Other	-	90,000	-	-	430,242
Total revenues	101,250	90,000	4,927	12,061	4,981,938
Expenditures:					
Current:					
General government	-	-	-	-	306,452
Public safety	-	-	-	-	867,701
Public works	-	-	1,999,489	-	2,022,635
Education	-	-	-	-	3,450,194
Interest and other charges	-	76,680	-	8,868	86,048
Capital outlay	1,682,596	-	-	-	3,232,603
Total expenditures	1,682,596	76,680	1,999,489	8,868	9,965,633
Revenue over (under) expenditures	(1,581,346)	13,320	(1,994,562)	3,193	(4,983,695)
Other financing sources (uses):					
Issuance of bonds	95,000	-	-	-	495,000
Transfers in	-	-	150,000	91,106	1,180,388
Transfers out	-	-	-	(499,999)	(499,999)
Total other financing sources (uses)	95,000	-	150,000	(408,893)	1,175,389
Net change in fund balances (deficits)	(1,486,346)	13,320	(1,844,562)	(405,700)	(3,808,306)
Fund balance (deficit), beginning of year	1,375,666	517,574	2,284,670	2,300,079	8,372,521
Fund balance (deficit), end of year	\$ (110,680)	\$ 530,894	\$ 440,108	\$ 1,894,379	\$ 4,564,215

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, 2019**

	Private Purpose Trust Funds			Totals
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	
Assets				
Cash	\$ 5,458	45,264	\$ 1,010	\$ 51,732
Investments	-	1,557,181	-	1,557,181
Total assets	5,458	1,602,445	1,010	1,608,913
Net position held in trust	\$ 5,458	\$ 1,602,445	\$ 1,010	\$ 1,608,913

**Combining Statement of Changes in Net Position - Private Purpose Trust Funds
For the Year Ended June 30, 2019**

	Private Purpose Trust Funds			Totals
	Harold K. Beach Fund	Charles B. Wooster Fund	Richard R. Pearson Memorial Fund	
Additions:				
Interest and dividends	\$ -	\$ 74,983	\$ -	\$ 74,983
Other	-	5,210	3,670	8,880
Net additions	-	80,193	3,670	83,863
Deductions:				
Education	-	93,462	-	93,462
General government	-	-	2,900	2,900
Total deductions	-	93,462	2,900	96,362
Change in net position	-	(13,269)	770	(12,499)
Net position, beginning of Year	5,458	1,615,714	240	1,621,412
Net position, end of year	\$ 5,458	\$ 1,602,445	\$ 1,010	\$ 1,608,913

**Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Student Activity Fund				
Assets				
Cash	\$ 123,398	\$ 432,142	\$ 422,692	\$ 132,848
Total assets	\$ 123,398	\$ 432,142	\$ 422,692	\$ 132,848
Liabilities				
Due to others	\$ 123,398	\$ 432,142	\$ 422,692	\$ 132,848
Total liabilities	\$ 123,398	\$ 432,142	\$ 422,692	\$ 132,848

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Other Schedules

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Town of Seymour, Connecticut

Report of Tax Collector
For the Year Ended June 30, 2019

Grand List Year	Uncollected Taxes July 1, 2019	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible
			Additions	Deletions		
2003	\$ 14,125	\$ -	\$ -	\$ 161	\$ 517	\$ 13,447
2004	18,710	-	-	154	547	18,009
2005	14,026	-	-	-	1,294	12,732
2006	17,401	-	-	-	1,309	16,092
2007	17,338	-	-	191	1,290	15,857
2008	11,556	-	-	-	540	11,016
2009	18,021	-	-	-	1,348	16,673
2010	19,526	-	-	-	835	18,691
2011	37,640	-	-	298	2,365	34,977
2012	46,220	-	-	1,243	3,765	41,212
2013	79,108	-	-	4,109	6,273	68,726
2014	141,538	-	138	12,698	11,451	117,527
2015	269,053	-	701	17,236	10,706	241,812
2016	769,545	-	2,969	27,136	4,243	741,135
Total Prior Years	1,473,807	-	3,808	63,226	46,483	1,367,906
2017	-	43,864,320	45,276	146,875	9,537	43,753,184
	<u>\$ 1,473,807</u>	<u>\$ 43,864,320</u>	<u>\$ 49,084</u>	<u>\$ 210,101</u>	<u>\$ 56,020</u>	<u>\$ 45,121,090</u>

Exhibit D-1

Collections					Balance
Taxes	Interest and Lien Fees	Total	Unpaid Refunds	Uncollected June 30, 2019	
\$ -	\$ 555	\$ 555	\$ -	\$ 13,447	
-	1,695	1,695	-	18,009	
413	1,089	1,502	-	12,319	
417	872	1,289	-	15,675	
370	730	1,100	-	15,487	
108	223	331	-	10,908	
151	296	447	-	16,522	
795	1,335	2,130	-	17,896	
2,542	2,261	4,803	-	32,435	
9,778	4,857	14,635	-	31,434	
16,932	10,632	27,564	-	51,794	
31,372	17,381	48,753	-	86,155	
113,026	42,347	155,373	697	128,089	
476,672	112,923	589,595	1,028	263,435	
652,576	197,197	849,773	1,725	713,605	
43,092,897	141,917	43,234,814	3,202	657,085	
\$ 43,745,473	\$ 339,114	\$ 44,084,587	\$ 4,927	\$ 1,370,690	

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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.

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Town of Seymour, Connecticut

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental activities:					
Net investment in capital assets	\$ 34,250,118	\$ 38,478,505	\$ 52,434,673	\$ 49,963,287	\$ 57,321,414
Restricted	1,000	1,000	1,000	1,000	1,000
Unrestricted	2,453,530	2,000,835	1,868,095	2,453,530	(2,560,828)
Total governmental activities net position	36,704,648	40,480,340	54,303,768	52,417,817	54,761,586
Business-type activities:					
Net investment in capital assets	7,261,720	7,493,723	7,763,588	7,510,142	7,256,192
Restricted	-	-	-	-	-
Unrestricted	993,190	854,393	953,793	1,149,123	1,273,837
Total business-type activities net position	8,254,910	8,348,116	8,717,381	8,659,265	8,530,029
Primary government:					
Net investment in capital assets	41,511,838	45,972,228	60,198,261	57,473,429	64,577,606
Restricted	1,000	1,000	1,000	1,000	1,000
Unrestricted	3,446,720	2,855,228	2,821,888	3,602,653	(1,286,991)
Total primary government net position	\$ 44,959,558	\$ 48,828,456	\$ 63,021,149	\$ 61,077,082	\$ 63,291,615

Table 1

		Fiscal Year							
		2015	2016	2017	2018	2019			
\$	62,197,985	\$	58,219,654	\$	55,869,110	\$	55,859,612	\$	54,911,714
	1,000		-		-		1,338,695		406,019
	(12,915,975)		(7,412,603)		(5,322,799)		(39,081,180)		(47,055,919)
	49,283,010		50,807,051		50,546,311		18,117,127		8,261,814
	6,841,338		6,396,564		5,987,971		4,995,755		4,995,755
	-		-		-		-		-
	1,446,211		1,826,291		2,357,706		2,396,365		2,396,365
	8,287,549		8,222,855		8,345,677		7,392,120		7,392,120
	69,039,323		64,616,218		61,857,081		60,855,367		59,907,469
	1,000		-		-		1,338,695		406,019
	(11,469,764)		(5,586,312)		(2,965,093)		(36,828,431)		(44,659,554)
\$	57,570,559	\$	59,029,906	\$	58,891,988	\$	25,509,247	\$	15,653,934

Town of Seymour, Connecticut

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses:					
Governmental activities:					
General government	\$ 3,318,654	\$ 3,262,683	\$ 3,212,595	\$ 3,496,359	\$ 3,486,981
Education	33,273,139	36,604,217	38,517,530	37,366,413	40,937,310
Public safety	6,017,066	6,884,401	7,149,115	7,418,542	8,072,815
Sanitation	1,241,916	1,232,394	1,254,771	1,253,537	1,271,893
Public works	3,439,030	3,953,978	4,837,758	4,100,306	4,182,171
Recreation, arts and cultural	2,407,071	2,406,095	2,428,925	2,638,434	2,704,796
Interest on debt	1,338,547	1,765,127	1,453,677	1,479,775	1,601,667
Total governmental activities expenses	51,035,423	56,108,895	58,854,371	57,753,366	62,257,633
Business-type activities:					
Water Pollution Control Authority	1,224,509	2,019,950	1,975,932	1,883,814	1,916,033
Total business-type activities expenses	1,224,509	2,019,950	1,975,932	1,883,814	1,916,033
Total primary government expenses	52,259,932	58,128,845	60,830,303	59,637,180	64,173,666
Program revenue:					
Governmental activities:					
General government	617,231	602,400	785,909	712,525	491,837
Education	786,750	1,152,045	660,423	618,268	645,753
Public safety	52,779	47,128	36,695	69,383	92,630
Sanitation	15,625	18,900	21,359	18,442	-
Public works	5,645	478,103	316,164	480,613	399,291
Recreation, arts and cultural	132,227	8,470	3,680	23,511	-
Project activities:					
Operating grants and contributions	14,167,110	14,547,813	31,885,437	19,259,974	17,873,293
Capital grants and contributions	750,009	481,261	117,907	187,538	172,057
Total governmental activities program revenue	16,527,376	17,336,120	33,827,574	21,370,254	19,674,861

Table 2

		Fiscal Year							
		2015	2016	2017	2018	2019			
\$	3,262,778	\$	3,721,928	\$	4,929,550	\$	4,634,906	\$	5,223,581
	40,948,360		42,382,760		44,019,109		45,883,561		47,955,481
	10,198,076		7,822,574		7,206,132		9,975,081		11,224,520
	1,216,348		1,070,523		1,284,965		1,338,666		1,499,158
	5,001,254		8,209,668		5,635,329		7,539,214		6,957,400
	2,653,140		2,735,696		2,865,551		1,057,717		1,101,761
	1,097,273		1,090,823		1,671,853		1,439,037		1,192,494
	64,377,229		67,033,972		67,612,489		71,868,182		75,154,395
	2,126,247		2,003,639		1,885,395		2,615,147		2,348,703
	2,126,247		2,003,639		1,885,395		2,615,147		2,348,703
	66,503,476		69,037,611		69,497,884		74,483,329		77,503,098
	542,214		577,333		493,404		517,065		770,388
	567,948		563,242		576,815		570,978		507,309
	528,754		811,596		609,794		1,100,546		876,581
	-		-		-		-		-
	108,897		1,220		745,993		675,141		562,152
	-		-		-		-		-
	18,213,129		17,377,646		20,837,024		19,164,670		16,266,743
	676,082		2,027,554		132,446		1,790,004		1,859,068
	20,637,024		21,358,591		23,395,476		23,818,404		20,842,241

(Continued)

Town of Seymour, Connecticut

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Business-type activities:					
Charges for services:					
Water Pollution Control Authority	\$ 1,224,509	\$ 1,299,865	\$ 1,631,837	\$ 1,545,668	\$ 1,514,981
Total business-type activities					
program revenues	1,224,509	1,299,865	1,631,837	1,545,668	1,514,981
Total primary government					
program revenues	17,751,885	18,635,985	35,459,411	22,915,922	21,189,842
Net (expense) revenue:					
Governmental activities	(34,508,047)	(38,772,775)	(25,026,797)	(36,383,112)	(42,582,772)
Business-type activities	-	(720,085)	(344,095)	(338,146)	(401,052)
Total primary government					
net expense	(34,508,047)	(39,492,860)	(25,370,892)	(36,721,258)	(42,983,824)
General revenues and other changes					
in net position:					
Governmental activities:					
Property taxes	35,554,413	37,930,455	38,587,563	39,600,518	40,669,725
Grants and contributions not					
restricted to specific programs	944,850	818,451	955,620	935,210	614,771
Unrestricted investment earnings	108,776	53,967	19,450	53,475	94,200
Transfers and other	(828,130)	(762,549)	(712,408)	(279,974)	(271,596)
Miscellaneous	-	-	-	-	-
Total governmental activities	35,779,909	38,040,324	38,850,225	40,309,229	41,107,100
Business-type activities:					
Unrestricted investment earnings	3,603	642	952	56	220
Transfers and other	828,130	812,549	712,408	279,974	271,596
Total business-type activities	831,733	813,191	713,360	280,030	271,816
Total primary government	36,611,642	38,853,515	39,563,585	40,589,259	41,378,916
Changes in net position:					
Governmental activities	1,271,862	(732,451)	13,823,428	3,926,117	(1,475,672)
Business-type activities	831,733	93,106	369,265	(58,116)	(129,236)
Total primary government	\$ 2,103,595	\$ (639,345)	\$ 14,192,693	\$ 3,868,001	\$ (1,604,908)

Table 2, Cont'd.

		Fiscal Year							
		2015	2016	2017	2018	2019			
\$	1,883,588	\$	1,938,604	\$	2,007,512	\$	2,046,088	\$	1,940,926
	1,883,588		1,938,604		2,007,512		2,046,088		1,940,926
	22,520,612		23,297,195		25,402,988		25,864,492		1,940,926
	(43,740,205)		(45,675,381)		(44,217,013)		(48,049,778)		(54,312,154)
	(242,659)		(65,035)		122,117		(569,059)		(407,777)
	(43,982,864)		(45,740,416)		(44,094,896)		(48,618,837)		(54,719,931)
	42,378,541		42,796,014		43,113,621		43,627,199		43,839,583
	642,756		449,079		801,178		201,268		120,176
	38,631		14,178		41,474		138,235		196,957
	-		-		-		-		-
	-		-		-		400,436		300,125
	43,059,928		43,259,271		43,956,273		44,367,138		44,456,841
	179		341		705		3,536		19,743
	-		-		-		-		-
	179		341		705		3,536		19,743
	43,060,107		43,259,612		43,956,978		44,370,674		44,476,584
	(680,277)		(2,416,110)		(260,740)		(3,682,640)		(9,855,313)
	(242,480)		(64,694)		122,822		(565,523)		(388,034)
\$	(922,757)	\$	(2,480,804)	\$	(137,918)	\$	(4,248,163)	\$	(10,243,347)

Town of Seymour, Connecticut

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

	Fiscal Year				
	2010	2011	2012	2013	2014
General fund:					
Assigned	\$ -	\$ 520,594	\$ 434,196	\$ 951,965	\$ 458,652
Unassigned	-	2,528,999	3,977,834	4,391,954	4,611,302
Reserved	868,948	-	-	-	-
Unreserved, designated	2,879,331	-	-	-	-
Total general fund	\$ 3,748,279	\$ 3,049,593	\$ 4,412,030	\$ 5,343,919	\$ 5,069,954
All other governmental funds:					
Nonspendable	\$ 13,926	\$ 21,099	\$ 11,717	\$ 15,015	\$ 15,641
Restricted	-	536,072	612,056	675,545	1,064,121
Committed	-	290,406	379,890	337,804	376,574
Unassigned	-	(835,856)	(1,339,873)	(2,032,249)	(936,007)
Unreserved, reported in:					
Capital projects funds	(121,998)	(1,663,322)	(1,715,948)	(2,366,124)	-
Total all other governmental fund	\$ (108,072)	\$ (1,651,601)	\$ (2,052,158)	\$ (3,370,009)	\$ 520,329

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

Table 3

		Fiscal Year							
		2015	2016	2017	2018	2019			
\$	552,768	\$	953,421	\$	1,530,654	\$	871,265	\$	578,443
	4,674,011		5,116,694		5,649,655		1,727,644		2,255,635
	-		-		-		-		-
	-		-		-		-		-
\$	5,226,779	\$	6,070,115	\$	7,180,309	\$	2,598,909	\$	2,834,078
\$	12,117	\$	14,188	\$	8,499	\$	10,651	\$	10,344
	765,053		1,694,147		7,521,750		5,360,522		8,572,920
	3,963,138		804,383		639,696		770,263		1,069,999
	(1,414,021)		(1,580,711)		(619,581)		(68,994)		(1,341,596)
	-		-		-		-		-
\$	3,326,287	\$	932,007	\$	7,550,364	\$	6,072,442	\$	8,311,667

Town of Seymour, Connecticut

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues:					
Property taxes, interest and liens	\$ 35,459,287	\$ 36,683,224	\$ 38,214,375	\$ 39,416,217	\$ 40,127,961
Special assessments	756,357	-	-	-	-
Intergovernmental	15,389,304	15,852,239	32,957,905	20,323,930	18,426,191
Interest and lien fees	10,297	226,867	257,818	403,948	339,840
Permits, fees and other	6,871	1,192,981	1,413,066	1,170,081	1,792,599
Charges for services	1,258,003	-	-	-	-
Interest	41,366	87,741	41,456	48,261	94,200
Other revenues	118,804	955,416	769,600	1,046,612	315,509
Total revenues	53,040,289	54,998,468	73,654,220	62,409,049	61,096,300
Expenditures:					
General government	3,575,484	2,684,857	2,983,014	3,386,245	3,128,125
Public safety	5,572,474	6,233,927	6,461,630	6,750,945	6,909,853
Public works	2,557,658	2,943,768	3,061,261	3,381,070	3,102,918
Sanitation	1,241,916	1,220,125	1,248,505	1,249,305	1,254,272
Sundry	2,209,249	2,342,795	2,577,920	2,638,434	2,623,022
Board of education	32,690,305	34,379,601	35,948,785	35,706,442	38,235,510
Principal payments	4,500,659	4,165,035	4,274,452	4,676,033	5,181,212
Interest expense	-	-	-	-	-
Capital outlay	1,200,395	9,513,704	18,327,149	6,084,871	713,661
Total expenditures	53,548,140	63,483,812	74,882,716	63,873,345	61,148,573
Excess of revenues (under) expenditures	(507,851)	(8,485,344)	(1,228,496)	(1,464,296)	(52,273)
Other financing sources (uses):					
Issuance of note payable	-	6,000,000	5,995,000	1,150,000	-
Issuance of bonds	-	-	-	-	3,710,000
Refunding bond issuance	-	12,145,000	3,215,000	-	-
Bond premiums	-	1,353,777	426,313	-	230,242
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	236,753
Transfers out	(1,221,236)	(812,549)	(772,255)	(617,593)	(508,349)
Total other financing sources (uses)	(828,130)	5,445,870	5,564,045	1,078,334	3,668,646
Net changes in fund balance	\$ (1,335,981)	\$ (3,039,474)	\$ 4,335,549	\$ (385,962)	\$ 3,616,373
Debt service as a percentage of noncapital expenditures	9.41%	8.36%	8.18%	8.80%	9.38%

Table 4

		Fiscal Year							
		2015	2016	2017	2018	2019			
\$	41,703,296	\$	42,849,313	\$	43,326,698	\$	43,512,335	\$	43,850,072
	-		-		-		-		-
	18,292,154		20,114,186		21,484,225		21,459,353		17,130,908
	365,893		480,074		389,490		354,119		322,759
	2,069,208		2,736,954		2,384,529		2,765,452		2,599,071
	-		-		-		-		-
	38,631		14,178		41,474		138,235		196,957
	899,281		495,813		335,207		775,991		592,586
	63,368,463		66,690,518		67,961,623		69,005,485		64,692,353
	3,141,297		3,531,596		4,686,654		3,664,590		3,877,721
	7,838,079		7,682,274		7,772,371		8,413,284		8,270,780
	4,357,116		7,586,860		4,799,504		5,363,298		4,949,404
	1,207,426		1,052,921		1,272,323		1,273,950		1,381,163
	2,573,866		2,671,869		2,801,316		4,837,459		3,036,748
	39,297,473		39,547,772		41,412,528		42,900,816		39,357,028
	4,179,900		4,179,900		-		2,820,000		1,960,382
	1,360,834		1,183,178		4,768,689		1,628,395		1,491,058
	686,929		3,128,028		780,338		3,370,058		9,299,858
	64,642,920		70,564,398		68,293,723		74,271,850		73,624,142
	(1,274,457)		(3,873,880)		(332,100)		(5,266,365)		(8,931,789)
	-		-		-		-		-
	4,153,000		2,008,000		7,285,000		10,430,000		495,000
	5,270,000		-		7,225,000		-		-
	546,888		314,936		1,543,608		322,833		-
	(5,732,649)		-		(7,992,957)		(9,964,135)		-
	-		-		-		496,250		8,807,016
	383,642		887,858		1,176,086		3,451,793		1,180,388
	(383,642)		(887,858)		(1,176,086)		(3,451,793)		(1,180,388)
	4,237,239		2,322,936		8,060,651		1,284,948		9,302,016
\$	2,962,782	\$	(1,550,944)	\$	7,728,551	\$	(3,981,417)	\$	370,227
	9.49%		8.64%		7.60%		6.28%		5.32%

**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
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
2019	1,013,738	81,861	120,061	1,215,660
Change 2010-2019	-19.48%	27.00%	16.43%	-12.80%

Source: Town records.

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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
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)
2019	886,524	136,943	18,248	81,861	120,061	(27,977)

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
\$	1,371,300	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
	1,215,660	0.93%	36.00	1,736,657	0.70

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

Taxpayer	2019			2010		
	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.	\$ 14,739,970	1	0.85%	n/a	n/a	n/a
The Kerite Company	13,224,990	2	0.76%	\$ 16,602,820	1	0.85%
Eversource (formerly Connecticut Light & Power)	12,502,730	3	0.72%	6,179,450	4	0.31%
Thule Inc	6,531,910	4	0.38%	9,137,420	3	0.47%
Stop and Shop (LCP Supermarkets LLC)	5,897,500	5	0.34%	5,980,030	5	0.30%
Klarides Family Assoc LLC	5,569,690	6	0.32%	5,408,970	6	0.28%
Aquarion Water Co. of CT	5,255,990	7	0.30%	4,086,710	9	0.21%
Microboard Processing, Inc	4,524,800	8	0.26%	n/a	n/a	n/a
Shady Knoll Health Care Center	4,056,500	9	0.23%	4,452,940	8	0.23%
RAF Electronic Hardware	3,202,830	10	0.18%	n/a	n/a	n/a
Rafferty Realty Co. Inc.	n/a	n/a	n/a	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>\$ 75,506,910</u>		<u>4.35%</u>	<u>\$ 69,930,600</u>		<u>3.40%</u>

Source: Town Records

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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
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%
2019	2017	43,864,320	43,092,897	98.24%

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
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%
-	43,092,897	98.24%

Town of Seymour, Connecticut

Table 9

**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	Premiums						
2010	\$ 2,864,123	\$ 21,722,543	\$ 8,603,334	\$ -	\$ -	\$ 247,850	\$ 33,437,850	139000.042%	1.704%	\$ 2,164
2011	3,583,150	17,566,998	7,059,681	1,277,521	-	125,894	29,613,244	123101.280%	1.499%	1,790
2012	5,518,854	28,813,025	5,013,121	1,542,551	-	-	40,887,551	169968.203%	2.394%	2,472
2013	5,169,877	27,961,711	4,645,008	1,367,036	-	164,698	39,308,330	119007.962%	2.276%	2,377
2014	3,996,195	27,579,348	4,604,457	1,360,795	1,190,000	125,209	38,856,004	117638.523%	2.227%	2,349
2015	6,043,585	27,715,968	3,620,447	1,608,060	855,000	84,622	39,927,682	120883.082%	2.265%	2,414
2016	7,618,351	24,696,889	2,940,760	1,611,015	525,000	-	37,392,015	113206.222%	2.179%	2,261
2017	14,929,344	22,207,003	2,269,653	2,801,606	420,000	-	42,627,606	125682.124%	2.474%	2,577
2018	14,261,175	20,996,625	2,077,200	2,812,885	315,000	496,250	40,959,135	120762.848%	2.381%	2,476
2019	13,901,017	20,203,249	1,825,734	2,491,700	210,000	9,261,193	47,892,893	141206.159%	2.758%	2,896

⁽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)
2010	\$ 33,190,000	\$ -	\$ 33,190,000	1691.752%	\$ 2,148
2011	36,833,256	-	36,833,256	1864.450%	2,227
2012	40,407,616	-	40,407,616	2365.787%	2,443
2013	37,288,786	-	37,288,786	2159.194%	2,254
2014	37,825,795	-	37,825,795	2168.246%	2,287
2015	38,066,060	-	38,066,060	2159.260%	2,301
2016	36,391,015	-	36,391,015	2121.118%	2,200
2017	41,731,606	-	41,731,606	2422.009%	2,523
2018	40,147,885	2,300,079	37,847,806	2199.721%	2,288
2019	38,421,700	1,803,273	36,618,427	2108.558%	2,214

(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 112 for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 124

**Direct Governmental Activities Debt
For the Year Ended June 30, 2019 - *unaudited***

Governmental Unit	Debt Outstanding
Bonds, BANS and notes, net premiums	\$ 38,631,700
Capital leases	<u>9,261,193</u>
Total direct debt	<u>\$ 47,892,893</u>

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			
	2010	2011	2012	2013
General Debt				
Debt limit	\$ 79,481,450	\$ 82,940,211	\$ 86,361,145	\$ 89,213,472
Total net debt applicable to limit	3,111,973	3,842,739	5,778,443	5,429,466
Legal debt margin	\$ 76,369,477	\$ 79,097,472	\$ 80,582,702	\$ 83,784,006
Total net debt applicable to the limit as percentage of debt limit	3.92%	4.63%	6.69%	6.09%
Schools				
Debt limit	\$ 158,962,901	\$ 165,880,422	\$ 172,722,290	\$ 178,426,944
Total net debt applicable to limit	27,037,543	52,476,440	53,459,379	70,376,153
Legal debt margin	\$ 131,925,358	\$ 113,403,982	\$ 119,262,911	\$ 108,050,791
Total net debt applicable to the limit as percentage of debt limit	17.01%	31.64%	30.95%	39.44%
Sewers				
Debt limit	\$ 132,469,084	\$ 138,233,685	\$ 143,935,241	\$ 148,689,120
Total net debt applicable to limit	8,603,334	15,006,830	5,165,099	4,796,986
Legal debt margin	\$ 123,865,750	\$ 123,226,855	\$ 138,770,142	\$ 143,892,134
Total net debt applicable to the limit as percentage of debt limit	6.49%	10.86%	3.59%	3.23%
Urban Renewal				
Debt limit	\$ 114,806,539	\$ 119,802,527	\$ 124,743,876	\$ 128,863,904
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 114,806,539	\$ 119,802,527	\$ 124,743,876	\$ 128,863,904
Total net debt applicable to the limit as percentage of debt limit	0.00%	0.00%	0.00%	0.00%
Pension Funding				
Debt limit	\$ 105,975,267	\$ 110,586,948	\$ 115,148,193	\$ 118,951,296
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 105,975,267	\$ 110,586,948	\$ 115,148,193	\$ 118,951,296
Total net debt applicable to the limit as percentage of debt limit	0.00%	0.00%	0.00%	0.00%
Total				
Debt limit	\$ 591,695,241	\$ 617,443,793	\$ 642,910,745	\$ 664,144,736
Total net debt applicable to limit	38,752,850	71,326,009	64,402,921	80,602,605
Legal debt margin	\$ 552,942,391	\$ 546,117,784	\$ 578,507,824	\$ 583,542,131
Total net debt applicable to the limit as percentage of debt limit	6.55%	11.55%	10.02%	12.14%

Table 12

		Fiscal Years									
		2014	2015	2016	2017	2018	2019				
\$	91,311,426	\$	94,843,233	\$	97,811,937	\$	98,444,311	\$	98,489,655	\$	98,489,655
	15,833,155		6,168,585		7,618,351		15,594,344		14,506,175		23,407,210
\$	75,478,271	\$	88,674,648	\$	90,193,586	\$	82,849,967	\$	83,983,480	\$	121,896,865
	17.34%		6.50%		7.79%		15.84%		14.73%		23.77%
\$	182,622,852	\$	189,686,466	\$	195,623,874	\$	196,888,622	\$	196,979,310	\$	196,979,310
	19,387,574		28,641,557		25,221,929		22,207,043		21,311,665		20,413,289
\$	163,235,278	\$	161,044,909	\$	170,401,945	\$	174,681,579	\$	175,667,645	\$	217,392,599
	10.62%		15.10%		12.89%		11.28%		10.82%		10.36%
\$	152,185,710	\$	158,072,055	\$	163,019,895	\$	164,073,851	\$	164,149,425	\$	164,149,425
	5,566,838		3,772,425		3,092,738		2,681,220		2,229,178		1,977,712
\$	146,618,872	\$	154,299,630	\$	159,927,157	\$	161,392,631	\$	161,920,247	\$	166,127,137
	3.66%		2.39%		1.90%		1.63%		1.36%		1.20%
\$	131,894,282	\$	136,995,781	\$	141,283,909	\$	142,197,338	\$	142,262,835	\$	142,262,835
	-		-		-		-		-		-
\$	-	\$	-	\$	-	\$	-	\$	142,262,835	\$	142,262,835
	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
\$	121,748,568	\$	126,457,644	\$	130,415,916	\$	131,259,081	\$	131,319,540	\$	131,319,540
	-		-		-		-		-		-
\$	-	\$	-	\$	-	\$	-	\$	131,319,540	\$	131,319,540
	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
\$	679,762,838	\$	706,055,179	\$	728,155,531	\$	732,863,202	\$	733,200,765	\$	733,200,765
	40,787,567		38,582,567		35,933,018		40,482,607		38,047,018		45,798,211
\$	638,975,271	\$	667,472,612	\$	692,222,513	\$	692,380,595	\$	695,153,747	\$	687,402,554
	6.00%		5.46%		4.93%		5.52%		5.19%		6.25%

Computation of Legal Debt Limitation - *unaudited*
June 30, 2019

<hr/>					
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
	<hr/>				
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	13,901,017	20,203,249	1,825,734	-	-
Notes payable	-	210,000	-	-	-
Capital lease	9,261,193	-	-	-	-
Bonds authorized but not issued, issue dates not yet established	245,000	40	151,978	-	-
Total indebtedness	<u>23,407,210</u>	<u>20,413,289</u>	<u>1,977,712</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of indebtedness	<u><u>\$ 75,082,445</u></u>	<u><u>\$ 176,566,021</u></u>	<u><u>\$ 162,171,713</u></u>	<u><u>\$ 142,262,835</u></u>	<u><u>\$ 131,319,540</u></u>

**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)
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%
2019	16,540	33,917	92,350	92,981	41	2,191	3%

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	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Town of Seymour	436	1	2.64%	440	1	4.79%
Basement Systems	400	2	2.42%	n/a	n/a	n/a
Thule of Sweden	230	3	1.39%	155	5	1.69%
Shady knoll Health Center	220	4	1.33%	135	8	1.69%
RAF Manufacturing Company	147	5	0.89%	159	6	1.69%
Stop & Shop	129	6	0.78%	200	2	2.18%
Microboard Processing, Inc	125	7	0.76%	170	3	1.85%
Haynes Construction Co.	110	8	0.67%	146	7	1.59%
The Kerite Company	105	9	0.63%	165	4	1.76%
Vernier Metal Fabricating	74	10	0.45%	**	**	**
Caspari, Inc.	-	-	-	84	10	0.91%

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

** - not available

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				
	2010	2011	2012	2013	2014
General government	21	21	21	22	22
Finance	4	4	4	3	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	298	292	291	289	285
Recreation, arts and cultural	1	1	1	1	1
Total	387	381	380	378	374

Source: Town Records

Table 16

Full-Time Equivalent Employees as of June 30				
2015	2016	2017	2018	2019
22	23	22	16	17
3	3	3	3	3
1	1	1	1	1
38	38	39	43	43
2	2	2	2	2
20	20	20	21	21
289	285	285	285	444
1	2	3	9	9
376	374	375	380	540

Town of Seymour, Connecticut

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

Function/Program	Calendar Year			
	2010	2011	2012	2013
General Government				
Land records recorded	4,472	4,582	4,116	4,575
Vital records recorded	462	479	528	501
Dog licenses issued	874	842	835	815
Absentee ballots issued	93	257	133	384
Police				
Police cars	20	20	20	20
Calls for service	13,745	16,210	15,028	13,638
Criminal arrests	755	779	748	606
Traffic citations issued	570	814	449	469
Medical emergencies responded to	1,362	1,412	1,405	1,352
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	7,561	7,184	**	**
Tons of recyclable materials collected and disposed	6,986	**	**	**
Recreation, arts and cultural				
Visitors to library	**	**	**	**
Circulation	**	**	**	**

Source: Town Records

Note: ** - not available

Table 17

Calendar Year					
2014	2015	2016	2017	2018	2019
4,771	4,387	5,083	4,797	4,768	4,607
539	474	476	499	454	491
747	858	803	765	782	774
95	177	200	86	76	309
20	20	21	22	23	22
14,905	16,477	15,799	18,849	20,952	21,896
658	421	412	435	485	393
515	790	872	620	561	384
1,518	1,514	1,478	1,598	1,587	1,557
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	**	**
**	**	**	**	1,111	5,050
6,584	7,724	7,551	6,608	6,623	1,090
**	13,000	47,973	47,483	46,105	44,667
**	73,571	67,089	63,378	62,287	61,452

Town of Seymour, Connecticut

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years - *unaudited*

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Education	\$ 60,305,506	\$ 69,653,475	\$ 86,626,234	\$ 91,905,956
General government	327,767	349,004	349,004	447,716
Public safety	11,438,234	11,520,897	11,910,346	12,583,141
Public works	34,696,177	34,717,329	34,939,081	35,270,300
Sundry	2,792,233	2,806,281	2,874,459	2,888,009
Total	\$ 109,559,917	\$ 119,046,986	\$ 136,699,124	\$ 143,095,122

Source: Town Records

Note: ** Indicator not available

Table 18

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	92,152,824	\$	91,693,660	\$	93,686,338	\$	93,851,608	\$	93,851,608	\$	97,614,921
	486,873		503,373		503,373		585,925		735,967		2,468,586
	12,714,891		12,821,417		12,977,836		13,233,976		13,974,954		14,988,510
	35,526,844		35,683,504		36,392,233		37,029,319		39,108,874		41,284,838
	2,984,529		3,115,440		3,369,408		3,375,407		3,877,335		3,942,824
\$	143,865,961	\$	143,817,394	\$	146,929,188	\$	148,076,235	\$	151,548,738	\$	160,299,679

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