

Town of Enfield, Connecticut

**Comprehensive Annual
Financial Report**

Fiscal Year Ended June 30, 2017

Town of Enfield, Connecticut

**Comprehensive Annual
Financial Report**

Fiscal Year Ended June 30, 2017

**Issued by:
Department of Finance**

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JUNE 30, 2017
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Introductory Section



TOWN OF ENFIELD

LETTER OF TRANSMITTAL

December 28, 2017

Mr. Bryan R. H. Chodkowski
Town Manager
Town of Enfield
Enfield, Connecticut 06082

Dear Mr. Chodkowski:

In accordance with Chapter V, Section 8 of the adopted charter for the Town of Enfield, I am submitting herewith the Comprehensive Annual Financial Report (CAFR) of the Town of Enfield for the fiscal year ended June 30, 2017.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Enfield for the fiscal year ended June 30, 2017.

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

The Town of Enfield's financial statements have been audited by Ron L. Beaulieu & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Enfield for the fiscal year ended June 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Enfield's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Enfield

The Town of Enfield is a suburb consisting of 33.8 square miles and located east of the Connecticut River along the Interstate 91 corridor, 18 miles north of Hartford, Connecticut, and 9 miles south of Springfield, Massachusetts, with a July 1, 2015 population of 44,323. Centrally located between Boston and New York City, and just a 15-minute drive from Bradley International Airport, Enfield is a short commute between major northeast economic markets.

The Town of Enfield operates under a council-manager form of government. Policy-making and legislative authority rest with a Town Council consisting of the mayor and ten other members. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Town Manager and Town attorney. The Town Manager, among other things, is responsible for carrying out the policies and ordinances of the Town Council, overseeing the day-to-day operations of the town and appointing the various department heads.

The Town of Enfield provides a full range of services, including police protection; the construction and maintenance of highways, streets, sanitation and other infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for the Town of Enfield's financial planning and control. All agencies of the Town of Enfield are required to submit requests for appropriations to the Town Manager. The Town Manager uses these requests as the starting point for developing a proposed budget for presentation to the Town Council. The proposed budget is due to the Town Council no later than 75 days prior to the end of the fiscal year. The Town Council holds one or more public hearings on the budget not later than 60 days before the end of the fiscal year. Within 20 days of the final hearing, the Town Council adopts the budget by resolution.

Local Economy

Enfield's location, transportation access, quality work force, land and business services have attracted many first-rate corporate citizens both large and small. The Town has a diversified commercial/industrial base of numerous manufacturing, research, engineering, distribution, service and retail facilities. A total of 1,600 businesses are located in Enfield, including the corporate headquarters for Massachusetts Mutual, and Retail Brand Alliance, Inc. Other major employers include Mass Mutual, LEGO Inc., and Eppendorf.

The 2015 Grand List, upon which the 2016-2017 budget was prepared, was relatively unchanged from the prior year. Currently, there are no major projects on the horizon that would significantly impact, either positively or negatively, the value of the Grand List.

Long Range Planning

The Town updates its five-year capital plan every year, as part of the annual budget process. Town staff evaluate the condition of the town's buildings and infrastructure 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. In fiscal year 2017 and 2018 the Town Officials budgeted \$2.437 million and \$1.718 million respectively for capital projects. In November 2016, voters approved spending \$11.2 million for energy performance improvements to Town and Board of Education buildings.

In November 2015, voters approved spending \$36 million for reconstruction, repair and improvements to the Town's water pollution control facility. In November 2014 voters approved spending an additional \$60 million on road reconstruction projects. For the last 14 years road reconstruction and maintenance has been and continues to be a top priority with Town Officials and the general public. Since fiscal year 2000 and most recently in November of 2014, voters have four times approved by referendum, borrowing for road reconstruction for a total of \$114 million. In the last ten years the town has borrowed to maintain school buildings and built a Senior Center in addition to the road reconstruction projects.

The Town also received referendum approval in November 2012 for borrowing to merge the two existing high schools to one location. The state has approved the school building project and will cover 72.14% of allowable costs. The Town share of the project is approximately \$35 million.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the twenty-fourth consecutive year the Town has received this prestigious award, which is valid for a one-year period. In order to be awarded a certificate of achievement, the Town published an easily readable and efficiently organized

comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

The Town believes its current comprehensive annual financial report continues to meet the program requirements, and will be submitting it to the GFOA to be considered for another certificate of achievement.

The preparation of this annual financial report could not have been accomplished without a major effort and commitment from all members of the finance department. I would also like to thank you and members of the Town Council for the continued interest and support in planning and conducting the financial affairs of the Town of Enfield in a responsible and progressive manner.

The Finance Department will continue pursuit of its goals: to promote the highest degree of public credibility and confidence in its operations; working to foster and maintain a local government environment which demonstrates fiscal accountability, efficiency, integrity, stability and relevant equity; and of course, the overall strive towards excellence.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John A. Wilcox". The signature is written in a cursive, flowing style with a prominent loop at the end.

John A. Wilcox
Finance Director

TOWN OF ENFIELD, CONNECTICUT

JUNE 30, 2017

LIST OF PRINCIPAL OFFICIALS

TOWN COUNCIL

Scott R. Kaupin, Mayor
William Lee, Deputy Mayor
Joseph C. Bosco
William J. Edgar, Jr.
Edward N. Deni
Thomas Arnone
Gina L. Cekala
Liz Davis
Michael Ludwick
Peter Falk
Donna H. Szewczak

Town Manager
Director of Development Services
Director of Emergency Medical Services
Director of Finance
Director of Human Resources
Director of Information Systems
Director of Library
Director of Public Works
Director of Social Services
Chief of Police
Town Attorney

Bryan Chodkowski
Michael Cipiello
Gary Wiemokly
John Wilcox
Steven Bielenda
Paul Russell
Jason D. Neely
Jonathan Bilmes
Dawn L. Homer-Bouthiette
Carl Sferrazza
Christopher W. Bromson

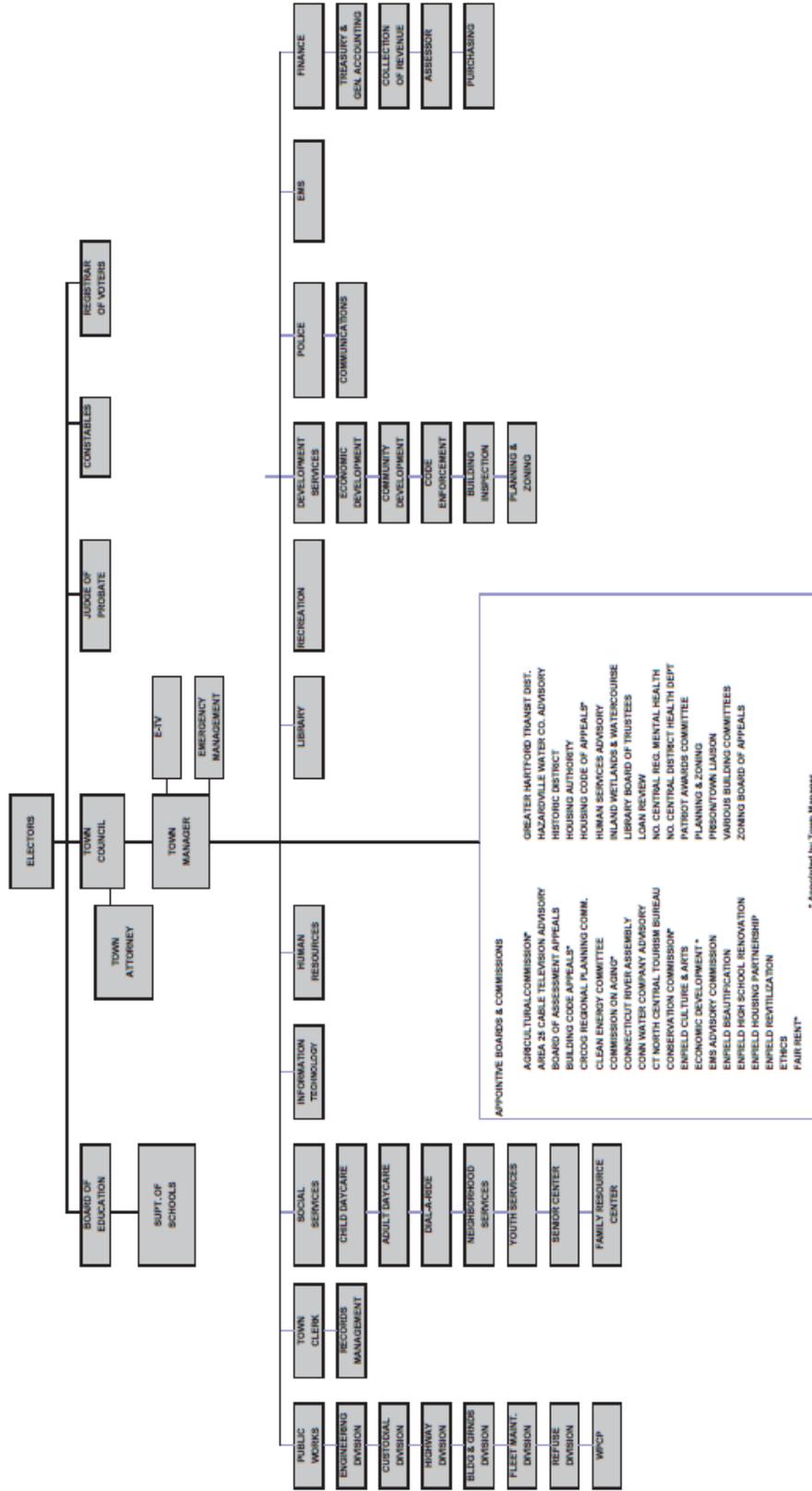
BOARD OF EDUCATION

Thomas J. Sirard, Chairman
Walter Kruzel, Vice Chairman
Tina LeBlanc, Secretary
Vincent M. Grady
Rich Regnier
Stacy Thurston
Lori Unghire
Charlotte Riley
Timothy Neville
Dr. Jeffrey A. Schumann, Superintendent of Schools

TOWN OF ENFIELD, CONNECTICUT

JUNE 30, 2017

ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Town of Enfield
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Financial Section

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

www.rlbc.com
accting@rlbc.com

41 Bates Street
Portland, Maine 04103

Tel: (207) 775-1717
Fax: (207) 775-7103

INDEPENDENT AUDITORS' REPORT

To the Town Council of
Town of Enfield, Connecticut
Enfield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Enfield, 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 misstatements, whether due to fraud or error.

Auditor's 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 auditor's 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Enfield, Connecticut, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

In 2017 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3.1 through 3.9 and budgetary comparison and pension information on pages 51 through 58 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.

Supplementary and Other Information

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

The combining and individual fund financial statements and tax collector and debt limitation reports 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 tax collector and debt limitation reports 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 December 28, 2017, on our consideration of the Town of Enfield, 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 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 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 Enfield, Connecticut's internal control over financial reporting and compliance.

Ron L. Beaulieu & Co.

Portland, Maine
December 28, 2017

**TOWN OF ENFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

This discussion and analysis of the Town of Enfield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2017. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements. All amounts in this section are reported in thousands unless otherwise noted.

Financial Highlights

- Net position of our governmental activities increased by \$21,620 or (8.60%).
- During the year, the Town had expenses and transfers that were \$16,751 less than the \$168,402 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$151,651.
- The General Fund reported a fund balance this year of \$29,833 an increase of \$3,243 or 12.2% over the prior year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities on pages 4 and 5 provide information about the activities of the Town as a whole and present a long-term view of the Town's finances. Fund financial statements are presented on pages 6 through 15. For governmental activities, the statements show how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on pages 4 and 5. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are indicators of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall financial health of the Town.

In the statement of net assets and the statement of activities, the Town reports its activities as follows:

Governmental Activities - The Town's basic services are reported here, including general government, public safety, public works, health and social services, library, planning and development and education. Property taxes and intergovernmental revenues finance most of these activities.

Fund Financial Statements

The fund financial statements begin on page 15 and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town administration establishes many other funds to help control and manage financial activities for particular purposes like the Capital Nonrecurring fund and Community Development fund. The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- **Governmental Funds** (*pages 6 through 10*) - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities reported in the statement of net position and the statement of activities and governmental funds is described in a reconciliation between fund balances - all governmental funds and net position of governmental activities on pages 17 and 19.
- **Proprietary Funds** (*pages 11, 12 and 13*) - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (a component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Information Technology Fund.
- **Fiduciary Funds** (*pages 14 and 15*) - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined total net position decreased by \$21,620 from a year ago, changing from \$251,252 to \$229,632. The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1
NET POSITION**

	Governmental Activities	
	2017	2016
Current and other assets	70,379	57,308
Capital Assets	354,186	320,646
Total Assets	<u>424,565</u>	<u>377,954</u>
Deferred outflows of resources	<u>3,996</u>	<u>6,840</u>
Current liabilities	63,219	23,241
Noncurrent liabilities	127,019	93,198
Total liabilities	<u>190,238</u>	<u>116,439</u>
Deferred inflows of resources	<u>8,691</u>	<u>17,103</u>
Net investment in capital assets	221,812	267,221
Restricted	799	1,701
Unrestricted	<u>7,021</u>	<u>(17,670)</u>
Total Net Position	<u><u>229,632</u></u>	<u><u>251,252</u></u>

The largest component of the net position is the investment in capital assets (buildings, infrastructure and equipment), which is presented less outstanding debt related to acquiring the assets. This portion of the net position is not available for spending. Unrestricted net position - the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$24,691 from the prior fiscal year.

The change in net position can also be analyzed by looking at the difference between revenues and program expenses. The Town's total revenues were \$168,403, a decrease of \$20,566 over the prior year. The total cost of all programs and services was \$151,651, a decrease of \$27,569 over the prior year. A more detailed discussion of fiscal year 2017 activity follows in the next sections.

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	\$ 14,131	\$ 14,178
Operating grants and contributions	54,596	50,443
Capital grants and contributions	5,403	32,435
General revenues:		
Property taxes	91,164	89,493
Grants and contributions not restricted to specific programs	2,115	2,092
Investment income	994	328
Total revenues	<u>168,403</u>	<u>188,969</u>
Expenses:		
General government	8,092	17,781
Public safety	5,171	32,366
Public works	26,279	26,780
Health and social services	9,504	9,967
Library	1,760	1,740
Planning and development	1,461	1,471
Education	90,546	86,113
Nondepartmental, Capital Outlay and Other	6,817	
Interest on long-term debt	2,021	3,002
Total expenses	<u>151,651</u>	<u>179,220</u>
Change in Net Position	16,752	9,749
Prior Period Adjustment - GASB 75	<u>(38,372)</u>	
Beginning Net Position - Adjusted	<u>212,880</u>	<u>241,503</u>
Ending Net Position	<u>\$ 229,632</u>	<u>\$ 251,252</u>

Table 3 presents the cost of each of the Town's five largest programs - public safety, public works, education, and health and social services - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General government	\$ 8,093	\$ 17,781	\$ 1,052	\$ 12,906
Public safety	5,171	32,366	4,579	31,568
Public works	26,279	26,780	20,864	18,114
Education	90,546	86,113	36,348	9,983
Health and social services	9,504	9,967	2,631	3,407
All other	12,058	6,213	12,049	6,186
Total	<u>\$ 151,651</u>	<u>\$ 179,220</u>	<u>\$ 77,523</u>	<u>\$ 82,164</u>

The total cost of services decreased \$27,569 or 15.38% from 2016 to 2017. There was no change in services provided by the Town. The primary cost drivers for the fiscal year were due to decreases in General Government and Public Safety and increases in Board of Education spending.

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - page 8) reported a combined total fund balance of (\$4,268) which is a 124.89% decrease from last year's total of \$17,150. The fund balance in the general fund increased \$788 from the prior year. Page 44 shows the details of the governmental fund balances. More detail with respect to activity in the General Fund is presented in the General Fund Budgetary Highlights section.

There continues to be a deficit in the Water Pollution Control Fund, which increased by \$47 during the year. \$2,492 is reserved in the General Fund nonspendable fund balance to cover part of the deficit. In fiscal year 2013-2014 the Council voted to convert the funding basis for the WPCA from ad valorem to user fee, in order to raise revenue to foot the cost of approximately \$36 million in upgrades to the plant. The change to user fee went into effect January 1, 2014. The rates were structured to provide enough revenue to pay back the general fund \$300 a year over a ten-year period, and to support anticipated debt repayment of approximately \$31 million for plant upgrades and repairs.

The fund balance in the Bonded Projects Fund has a deficit of \$37,422, an increase of \$24,396 over the prior year. The deficit is a result of spending associated with the "Roads 2015" paving program, the High School Consolidation project and the Water Pollution Control. Bond anticipation notes were issued during the year in the amount of \$47,000 to cover deficits in cash flows. The deficit will be covered in fiscal year 2017-2018 with the issuance of bonds.

The fund balance in the Capital Nonrecurring Fund decreased \$217, to \$3,888. Spending in the Capital and Nonrecurring Fund in fiscal year 2017 was \$3,030 compared to \$3,263 in fiscal year 2016. The Town records purchase of equipment, capital grants and major maintenance projects in this fund. Spending has decreased from prior years as one-time grants are completed.

The fund balances in the Nonmajor Governmental Funds is \$2,922, an increase of \$158 over the prior year. Pages 59-64 show the activity details for Nonmajor governmental funds. Spending activity is primarily education related and pertains to grants, student activity and cafeteria expenditures and revenues.

Fund balance in the governmental funds is classified according to the strength of the spending constraints for which it can be used, and are listed on the balance sheet according to the strength of the restriction, from most to least restrictive. Nonspendable fund balance represents \$4,570 of the total fund balance. Amounts classified in this category include inventory and the corpus of endowment funds, prepaid interest and \$2,192 that has been advanced to the Water Pollution Control Fund. Restricted fund balance is \$760 of the total fund balance and represents donations and grants whose spending is restricted to a particular purpose by the donor or granting authority. Committed fund balance is \$9,754 of the total fund balance and represents amounts committed by the Town Council for a particular purpose. The amounts in this category are committed primarily through the budget making process or by resolution. Assigned fund balance represents encumbrances outstanding at year end and the amount used to balance the fiscal year 2018 budget. Assigned fund balance represents \$2,646 of the total fund balance. The unassigned fund balance, which is available for spending, is (\$21,840). As mentioned earlier in this discussion, the WPCA fund and Bonded Projects fund are currently running deficits thereby causing the unassigned fund balance deficit. The deficit in the Bonded Projects Fund will be eliminated with future bonding and the deficit in the Water Pollution Control Fund will be eliminated over the next ten years through revenue raised by user fees.

Proprietary Funds

The Town of Enfield utilizes internal service funds to report the costs associated with liability insurance, health insurance and information technology for the Board of Education and the Town. Details of the activities in these funds are shown on pages 65-67. The net position of these funds increased \$697 or 239.52%, to \$988. The increase was primarily due to health insurance premium increases to cover expenses.

General Fund Budgetary Highlights

General fund revenues and expenditures are presented on a budgetary basis on pages 51.

Revenue Variances

Better than expected collections resulted in a positive variance of \$851 for all tax collections. Tax collections are currently budgeted on a cash basis and included \$300 for prior year collections. Real estate collections were budgeted at 98.65%, motor vehicle at 94.2% and personal property at 97.1%. The blended tax collection rate for current year taxes was 98.26%, which represents no change from the prior year collection rate.

Intergovernmental revenue had a net negative variance of \$320. Some variances in intergovernmental revenue were caused by changes made by the state during the year to individual grant line items. In addition, the Town adopts their budget prior to the States adoption of their budget. Therefore, changes made by the State to grant allocations after the Town adopts its budget can result in variances. The variance caused by these changes was \$98. Social Services grants were the main source of variances. These totaled \$209, Many of these were caused by the fiscal year of the grant being different than the Town's fiscal year.

Charges for services had a total positive variance of \$1,422. \$731 of these variances were from the School Miscellaneous Fund and the Police Outside Service fund for which revenue budgets are not adopted. Budgets in this category are estimated based on historical averages and normally vary from year to year. Conveyance taxes and EMS Client Fees contributed \$353 and \$167 to the positive variance.

Licenses and permits and had a positive variance of \$516. \$503 of this variance was caused by building permits.

Interest earned had a positive variance of \$2,021. This was due to a donation received by the Board of Education that is restricted for use on special needs students. General fund investments are limited by state statute to risk free instruments as specified in Note 3. Unfavorable economic conditions have kept investment interest rates low.

Overall, the general fund had a total positive revenue variance of \$4,291.

Expenditure Variances

Budgetary expenditures had a total positive variance of \$3,744. The largest variances occurred in the following departments: General Government \$814, Public Works \$647, and Health and social services \$730.

Additional appropriations from fund balance in the amount of \$270 were made to settle a lawsuit against the Town.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2017, the Town had \$354,186 invested in a broad range of capital assets, including land, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sewer lines, sidewalks) – Note 5 page 26. This amount represents a net increase (including additions and deductions) of \$33,540 over the prior year.

**TABLE 4
CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities	
	2017	2016
Land	\$ 12,255	\$ 12,255
Construction in progress	116,985	87,935
Buildings and improvements	58,867	60,917
Machinery and equipment	8,159	8,705
Vehicles	9,604	8,622
Infrastructure	148,316	142,212
Total	<u>\$ 354,186</u>	<u>\$ 320,646</u>

This year’s major additions included:

- The continuation of a variety of road rehabilitation projects - “Roads 2010 and Roads 2015” in the amount of \$13,209
- Construction on the Enfield High School project of \$16,841.
- Purchase of seven police vehicles in the amount of \$208.
- Purchase of an ambulance for EMS for \$115.

- Purchase of 3 dump trucks, 3 rubbish trucks, 2 pickup trucks and a car for Public Works for \$1,453.
- Purchase of two Dial-A-Ride buses for Social Services for \$196.

More detailed information about the Town’s capital assets is presented in Note 3(C) in the financial statements.

Long-Term Debt

At June 30, 2017, the Town had \$54,540 in bonds outstanding compared to \$58,510 last year - an decrease of 6.8% as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT**

	Governmental Activities	
	2017	2016
General obligation bonds - Town	\$ 43,514	\$ 46,484
General obligation bonds - School improvements	11,026	12,026
Total	\$ 54,540	\$ 58,510

The Town maintains an “AA/Stable” rating from Standard Poor’s and an “Aa2” rating from Moody’s for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$710,416 which significantly exceeds the Town’s outstanding general obligation debt.

At the end of fiscal 2015 the Town was authorized to bond an additional \$35 million for the High School Consolidation projects, which is currently underway.

In November 2014, voters approved borrowing an additional \$60 million for the Roads 2015 road reconstruction program. This project is currently in process.

In November of 2015, voters approved borrowing an additional \$36 million to finance reconstruction, repair and improvements to the water pollution control facility and sewerage collection infrastructure.

In November of 2016, voters approved borrowing \$11.2 million to finance energy performance upgrades at various town buildings.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town’s long-term liabilities is presented in Note 3(E) of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2016-2017 budget. Overall economic conditions as well as citizens' ability to sustain an increase in taxes continue to be primary concerns of town officials. The mill rate for the Town was unchanged at 23.88 for fiscal years 2008-2012. The mill rate for the 2012-2013 budget increased to 27.84. The increase in the mill rate was the result of a town wide revaluation in which property values dropped an average of 13%. Property values for residential property dropped an average of 15% and commercial property values dropped an average of 10%. After factoring in the change in the grand list, the increase in the mill rate was .90 mills.

Council set multiple mill rates for the 2016-2017 budget due to the cap on motor vehicle mill rates imposed by the State of CT. The rates were 30.86 mills for real estate and business personal property and 28.80 mills for motor vehicles. The real estate and business personal property rate increased .97 mills over the prior year while the motor vehicle mill rate decreased by 1.09 mills. The mill rate for fiscal year 2017-2018 is 31.43 for real estate and business personal property and 28.80 for motor vehicles. General fund spending increased to \$132,291, an increase of 2.53% over the fiscal year 2017 budget. Total expenses for the Board of Education increased by \$2,063 and the Town increased by \$1,204.

The grand list has remained stable, with no meaningful growth or property transfers.

Unemployment (not seasonally adjusted) in the Town as of October 2017 was 5.0% versus 4.5% a year ago. The State's unemployment rate is 5.1% and the national rate is 4.9% for the same time period.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, 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, John Wilcox, Town of Enfield, 820 Enfield Street, Enfield, Connecticut, 06082.

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 35,295,137
Investments	15,580,172
Accounts receivable, net	5,489,116
Taxes receivable, net	4,741,241
Interest receivable, net	5,407,924
Due from other governments, net	1,290,941
Due from agency fund	47,948
Prepaid expenses	2,426,105
Inventories	100,748
Non-depreciable capital assets	129,240,298
Capital assets, net	<u>224,945,676</u>
TOTAL ASSETS	<u>424,565,306</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	474,990
Deferred outflows related to pension	<u>3,521,443</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,996,433</u>
LIABILITIES	
Accounts payable	6,155,938
Accrued expenses	221,432
Accrued payroll	763,747
Accrued interest	1,583,760
Claims payable	1,239,871
Due to other governments	741,941
Deferred revenues	157,980
Bond anticipation note	47,000,000
Long-term liabilities:	
Due within one year	5,354,540
Due more than one year	<u>127,019,291</u>
TOTAL LIABILITIES	<u>190,238,500</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	1,602,173
Deferred inflows related to pensions	<u>7,088,936</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,691,109</u>
NET POSITION	
Net investment in capital assets	221,812,143
Restricted:	
Grants	760,037
Trust principal	38,519
Unrestricted	<u>7,021,431</u>
TOTAL NET POSITION	<u><u>\$ 229,632,130</u></u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
Governmental activities:					
General government	8,092,317	\$ 2,208,590	\$ 4,029,417	\$ 802,798	\$ (1,051,512)
Public safety	5,170,971	449,983	142,318	-	(4,578,670)
Public works	26,278,866	4,878,260	536,350	-	(20,864,256)
Health and social services	9,503,863	4,653,262	2,220,060	-	(2,630,541)
Library	1,760,195	3,603	5,482	-	(1,751,110)
Planning and development	1,461,125	-	-	-	(1,461,125)
Intergovernmental and interager	477,635	-	-	-	(477,635)
Education	90,546,162	1,936,928	47,661,721	4,599,682	(36,347,831)
Non-departmental	4,950,806	-	-	-	(4,950,806)
Capital outlay	1,388,461	-	-	-	(1,388,461)
Interest expense	2,020,551	-	-	-	(2,020,551)
Total governmental activities	<u>\$ 151,650,952</u>	<u>\$ 14,130,626</u>	<u>\$ 54,595,348</u>	<u>\$ 5,402,480</u>	<u>(77,522,498)</u>

General revenues:

Property taxes	91,164,293
Fines	124,313
Licenses and permits	1,106,599
Interest	2,129,542
Gain/(loss) on disposal of capital assets	(1,136,242)
Miscellaneous	884,521
Total general revenues	<u>94,273,026</u>

Change in net position	<u>16,750,528</u>
Net position - July 1 - original	251,253,278
Prior Period Adjustment	<u>(38,371,677)</u>
Net position - July 1 - revised	<u>212,881,601</u>
Net position - June 30	<u>\$ 229,632,129</u>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT
 BALANCE SHEET – GOVERNMENTAL FUNDS
 JUNE 30, 2017

	Major				Non-Major		Total
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Governmental Funds	Other	
ASSETS							
Cash	\$ 12,686,742	\$ 3,484,004	\$ 13,413,905	\$ 406,977	\$ 3,596,097	\$ -	\$ 33,587,725
Investments	11,644,293	-	-	2,763,901	-	-	14,408,194
Accounts receivable, net	2,421,484	1,456,457	-	-	1,520,978	-	5,398,919
Taxes receivable, net	4,741,241	-	-	-	-	-	4,741,241
Interest receivable, net	5,407,924	-	-	-	-	-	5,407,924
Due from other governments, net	525,340	-	-	569,553	196,049	-	1,290,942
Due from other funds	8,264,286	-	-	345,210	-	-	8,609,496
Prepaid expenses	1,938,824	-	-	-	-	-	1,938,824
Inventories	-	-	-	-	-	100,748	100,748
TOTAL ASSETS	\$47,630,134	\$ 4,940,461	\$ 13,413,905	\$ 4,085,641	\$ 5,413,872	\$ -	\$ 75,484,013
LIABILITIES							
Accounts payable	3,217,361	430,318	1,978,665	197,979	9,010	-	5,833,333
Accrued expenses	216,871	2,749	356	-	98	-	220,074
Accrued payroll	703,908	23,872	11,931	-	5,559	-	745,270
Accrued interest	-	-	783,333	-	-	-	783,333
Due to other governments	-	-	-	-	741,941	-	741,941
Deferred revenues	80,056	-	-	-	77,924	-	157,980
Bond anticipation note	-	-	47,000,000	-	-	-	47,000,000
Due to other funds	-	6,454,790	1,061,843	-	158,634	-	7,675,267
TOTAL LIABILITIES	4,218,196	6,911,729	50,836,128	197,979	993,166	-	63,157,198
DEFERRED INFLOW OF RESOURCES							
Deferred property taxes	9,960,334	-	-	-	-	-	9,960,334
Deferred sewer user fees	-	1,357,592	-	-	-	-	1,357,592
Deferred EMS revenues	1,970,689	-	-	-	-	-	1,970,689
Deferred grant revenues	46,124	-	-	-	-	-	46,124
Deferred loan revenues	-	-	-	-	1,499,698	-	1,499,698
Prepaid property taxes	1,602,173	-	-	-	-	-	1,602,173
TOTAL DEFERRED INFLOW OF RESOURCES	13,579,320	1,357,592	-	-	1,499,698	-	16,436,610
FUND BALANCES							
Nonspendable	4,430,824	-	-	-	-	139,267	4,570,091
Restricted	-	-	-	-	-	760,037	760,037
Committed	3,836,839	-	-	3,887,662	2,029,794	-	9,754,295
Assigned	2,646,174	-	-	-	-	-	2,646,174
Unassigned	18,918,781	(3,328,860)	(37,422,223)	-	(8,090)	-	(21,840,392)
TOTAL FUND BALANCES	29,832,618	(3,328,860)	(37,422,223)	3,887,662	2,921,008	(4,109,795)	(4,109,795)
TOTAL LIABILITIES AND FUND BALANCES	\$47,630,134	\$ 4,940,461	\$ 13,413,905	\$ 4,085,641	\$ 5,413,872	\$ -	\$ 75,484,013

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2017**

Fund balances total governmental funds	\$ (4,109,795)
Amounts reported for governmental activities in the statement of net position are different because:	
Internal services fund	988,273
Capital assets	354,185,974
Deferred charge on refunding	474,990
Deferred outflows of resources related to pensions	3,521,443
Deferred tax revenue	9,960,334
Deferred sewer revenue	1,357,592
Deferred EMS revenue	1,970,689
Deferred grant revenue	46,124
Deferred loan revenue	1,499,698
Accrued interest	(800,427)
Long-term liabilities due within one year	(5,354,540)
Long-term liabilities due more than one year	(127,019,291)
Deferred inflows of resources related to pensions	(7,088,935)
Net position of governmental activities	<u>\$ 229,632,129</u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Major				Non-Major		Total
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Governmental Funds	Other	
REVENUES							
Property taxes	\$89,711,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$89,711,701
Charges for services	7,106,929	4,526,628	-	31,331	1,770,338	1,770,338	13,435,226
Intergovernmental	50,100,548	2,316	7,370,764	802,798	4,630,723	4,630,723	62,907,149
Fines	20,934	-	-	-	103,378	103,378	124,312
Licenses and permits	1,106,599	-	-	-	-	-	1,106,599
Interest earned	2,130,631	-	-	(12,672)	782	782	2,118,741
Miscellaneous	712,673	-	-	71,402	100,447	100,447	884,522
TOTAL REVENUES	150,890,015	4,528,944	7,370,764	892,859	6,605,668	6,605,668	170,288,250
EXPENDITURES							
Current:							
General government	6,726,069	-	-	-	99,879	99,879	6,825,948
Public safety	15,032,266	-	-	-	211,504	211,504	15,243,770
Public works	17,342,603	4,186,602	-	-	-	-	21,529,205
Health and social services	9,277,727	-	-	-	-	-	9,277,727
Library	1,701,863	-	-	-	9,649	9,649	1,711,512
Planning and development	1,451,868	-	-	-	-	-	1,451,868
Intergovernmental and interagency	477,635	-	-	-	-	-	477,635
Education	82,705,725	-	-	-	6,185,173	6,185,173	88,890,898
Non-departmental	3,876,897	-	-	-	-	-	3,876,897
Capital outlay	-	-	41,449,005	3,029,624	-	-	44,478,629
Debt service:							
Principal retirement	3,970,000	-	-	-	-	-	3,970,000
Interest expense	2,997,064	-	982,777	-	-	-	3,979,841
TOTAL EXPENDITURES	145,559,717	4,186,602	42,431,782	3,029,624	6,506,205	6,506,205	201,713,930

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Major				Non-Major		Total
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Funds	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 5,330,298	\$ 342,342	\$ (35,061,018)	\$ (2,136,765)	\$ 99,463		\$ (31,425,680)
OTHER FINANCING SOURCES (USES)							
Issuance of bonds	-	-	-	-	-		-
Issuance of bond premiums	-	-	738,880	-	-		738,880
Issuance of capital leases	-	-	9,426,272	-	-		9,426,272
Transfers in	390,517	-	500,000	2,419,449	57,215		3,367,181
Transfers out	(2,476,664)	(390,517)	-	(500,000)	-		(3,367,181)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,086,147)</u>	<u>(390,517)</u>	<u>10,665,152</u>	<u>1,919,449</u>	<u>57,215</u>		<u>10,165,152</u>
NET CHANGE IN FUND BALANCE	3,244,151	(48,175)	(24,395,866)	(217,316)	156,678		(21,260,528)
FUND BALANCE - JULY 1 - ORIGINAL	26,588,467	(3,280,685)	(13,026,357)	4,104,978	2,764,330		17,150,733
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-		-
FUND BALANCE - JULY 1 - REVISED	<u>26,588,467</u>	<u>(3,280,685)</u>	<u>(13,026,357)</u>	<u>4,104,978</u>	<u>2,764,330</u>		<u>17,150,733</u>
FUND BALANCE - JUNE 30	<u>\$ 29,832,618</u>	<u>\$ (3,328,860)</u>	<u>\$ (37,422,223)</u>	<u>\$ 3,887,662</u>	<u>\$ 2,921,008</u>		<u>\$ (4,109,795)</u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net change in fund balances - total government funds	\$(21,260,528)
Amounts reported for governmental activities in the statement of activities are different because:	
Internal revenue service revenues and expenses are not included in net change in fund balances. However, in the statement of activities, the internal service revenues and expenses are included.	764,497
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 as depreciation expense.	
This is the amount of capital outlays.	43,090,168
This is the amount of depreciation expense.	(8,207,952)
This is the amount of gain/loss on disposal.	(1,136,242)
Changes in net pension liability and related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported as expenditures in governmental	9,541,445
Changes in other post-employment benefit liability do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(1,409,436)
Expenses for accrued compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	160,992
Expenses for accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	111,577
Proceeds from capital leases is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(9,426,272)
Payments of capital leases are expenditures in the governmental funds, but are a reduction of long-term liabilities in the statement of net position.	885,848
Proceeds from loans and bonds is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	-
Repayment of bond principal and premiums is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	4,200,000
Change in claims payable do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	189,774
Change in landfill closure costs do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	15,000
Change in deferred charge on refunding does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(7,009)
Change in deferred revenues do not require the use of current financial resources and therefore are not reported as revenues in governmental funds.	<u>(761,334)</u>
Change in net position of governmental activities.	<u>\$ 16,750,528</u>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash	\$ 1,707,411
Investments	1,171,978
Accounts receivable (net)	90,196
Interfund receivables	140,816
Prepaid expenses	487,281
Total current assets	<u>3,597,682</u>
Noncurrent assets:	
Capital assets (net)	<u>-</u>
Total noncurrent assets	<u>-</u>
TOTAL ASSETS	<u>3,597,682</u>
LIABILITIES	
Current liabilities:	
Accounts payable	322,607
Accrued expenses	1,358
Accrued payroll	18,476
Claims payable	1,239,871
Interfund payables	1,027,097
Long-term liabilities:	
Due within one year	-
Due more than one year	-
TOTAL LIABILITIES	<u>2,609,409</u>
NET POSITION	
Net investment in capital assets	-
Restricted	-
Unrestricted	988,273
TOTAL NET POSITION	<u>\$ 988,273</u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	24,181,376
Total operating revenues	<u>24,181,376</u>
OPERATING EXPENSES	
Risk management claims	1,340,339
Health insurance claims	18,735,078
Technology services	<u>3,352,264</u>
Total operating expenses	<u>23,427,681</u>
OPERATING INCOME (LOSS)	<u>753,695</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest	10,802
Total non-operating revenues (expenses)	<u>10,802</u>
CHANGE IN NET POSITION	764,497
NET POSITION - JULY 1 (ORIGINAL)	294,776
PRIOR PERIOD ADJUSTMENT	<u>(71,000)</u>
NET POSITION - JULY 1 (RESTATED)	<u>223,776</u>
NET POSITION - JUNE 30	<u><u>\$ 988,273</u></u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from charges for services	\$ 24,826,366
Payments for claims, premiums, and fees	<u>(23,887,529)</u>
Net cash provided (used) by operating activities	<u>938,837</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	-
Payments on capital lease	-
Net cash provided (used) by capital and related financing activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(18,982)
Interest	<u>10,802</u>
Net cash provided (used) by investing activities	<u>(8,180)</u>
NET INCREASE (DECREASE) IN CASH	930,657
CASH AND CASH EQUIVALENTS - JULY 1	<u>776,754</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 1,707,411</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	753,695
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Bad debt	-
Depreciation	-
Changes in assets and liabilities:	
Accounts receivable (net)	-
Interfund receivables	1,130,420
Prepaid expenses	(485,430)
Accounts payable	(184,471)
Accrued expenses	(453)
Accrued payroll	(6,467)
Claims payable	(243,292)
Interfund payables	<u>(25,165)</u>
	<u>\$ 938,837</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS	
Cash per Statement of Net Position:	
Cash	1,707,411
Investments	-
Restricted cash	-
Cash and cash equivalents	<u>\$ 1,707,411</u>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2017

	Pension and Other Employee Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ -	\$ 1,713,947
Investments	134,046,847	-
TOTAL ASSETS	<u>134,046,847</u>	<u>1,713,947</u>
 LIABILITIES		
Accounts payable		27,125
Due to specific individuals	-	1,638,874
Due to town	-	47,948
TOTAL LIABILITIES	<u>-</u>	<u>1,713,947</u>
 NET POSITION		
Restricted for Pension and Other Employee Benefits	<u>\$ 134,046,847</u>	<u>\$ -</u>

See accompanying independent auditors' report and management's notes to financial statements.

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Pension and Other Employee Benefit Trust Funds</u>
ADDITIONS	
Contributions	
Employer contributions	\$ 3,997,919
Employee contributions	<u>1,186,470</u>
Total contributions	<u>5,184,389</u>
Investment earnings	
Interest and dividends	2,889,832
Net change in fair value of investments	<u>10,064,137</u>
Total investment earnings	12,953,969
Less investment expenses	
Investment management fees	<u>283,387</u>
Net investment earnings	<u>12,670,582</u>
Total additions	<u>17,854,971</u>
DEDUCTIONS	
Benefits paid	5,922,914
Administrative expenses	<u>-</u>
Total deductions	<u>5,922,914</u>
CHANGE IN NET POSITION	11,932,057
NET POSITION AT BEGINNING OF YEAR	<u>122,114,790</u>
NET POSITION AT END OF YEAR	<u><u>\$ 134,046,847</u></u>

See accompanying independent auditors' report and management's notes to financial statements.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Enfield, Connecticut (the Town) was incorporated in 1683. The Town operates under Council-manager form of government and provides the following services as authorized by its charter; public safety, public works, health and social services, library, education, planning and development, and general government.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

A. REPORTING ENTITY

These financial statements present the Town (the primary government) and its component unit, if any. As defined by GASB No. 14, component units are legally separate entities that are included in the Town's reporting entity because of the significance of the operating or financial relationships with the Town.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property, certain intergovernmental revenues, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net cost (by function or business-type activity) are normally covered by general revenue (property, intergovernmental revenues, interest income, etc).

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Town reports these major governmental funds and fund types:

- a. The general fund is the Town's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- b. The water pollution control fund accounts for the collection of user charges in relation to the cost of water pollution control and the financing of sanitary sewer improvements or services.
- c. The bonded projects fund accounts for the bonded and financial revenues to be used for major capital asset construction and/or purchases.
- d. The capital nonrecurring fund accounts for the accumulation of monies for capital projects.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Town reports the following proprietary fund types:

- a.) Internal service funds are used to account for the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursement basis. These funds are used to account for the employee health insurance plan, the commercial liability insurance, and the financial costs of operating the central information systems department.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. FINANCIAL STATEMENTS ACCOUNTS

1. Cash and investments:

Nearly all of the cash balances of the Town's funds are pooled for investment purposes. The individual funds' portions of the pool's cash and investments are reported as cash and investments. Investments are stated at fair value, (quoted market price or the best available estimate).

2. Cash and cash equivalent

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the Town's investment pool is treated as cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

3. Inventories:

Inventories in the governmental funds consist of expendable supplies held for the Town's use and are carried at cost using the first-in, first-out method.

4. Receivables:

All receivables are reported net of estimated uncollectible amounts.

5. Capital assets:

Capital assets purchased or acquired with an original cost of \$20,000 or more for buildings and improvements, \$5,000 or more for vehicles and equipment, and \$100,000 or more for infrastructure are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Town reports all major general infrastructure assets constructed or acquired in fiscal years ending after June 30, 1980, or that received major renovations, restorations, or improvements during that period. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	20-75 years
Machinery and Equipment	10-30 years
Vehicles	10-30 years
Infrastructure	40-100 years

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Deferred Outflows of Resources:

The Town reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred outflows of resources reported in this year's financial statements include (1) none. No deferred outflows of resources affect the governmental funds financial statements in the current year.

7. Deferred Inflows of Resources:

The Town's statements of net position and its governmental fund balance sheet report a separate section for deferred inflow of resources. This separate financial statement elements reflects an increase in net assets that applies to a future period(s). Deferred inflows of resources are reported in the Town's various statements of net position (1) none. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The Town will not recognize the related revenues until they are available (collected not later than 60 days after the end of the Town's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes and grants are reported in the governmental funds balance sheet.

8. Property Tax Calendar and Revenues:

Taxes were levied on July 1, 2016 based on assessed values at October 1, 2015. Property tax payments were due in two installments – July 1, 2016 and January 1, 2017. Tax liens are placed on real property within twelve months following tax commitment date.

9. Compensated Absences:

The Town accrues accumulated unpaid vacation and sick leave when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide statements of net position and represents a reconciling item between the fund and government-wide presentations.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Government-wide and Proprietary Fund Net Position:

Government-wide and proprietary fund net positions are divided into three components:

- Net investments in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consist of assets that are restricted by the Town’s creditors (for example, through debt covenants), by the state enabling legislation (though restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the Town’s parks endowment less related liabilities and deferred inflows of resources).
- Unrestricted – all other net position is reported in this category.

11. Governmental Fund Balances:

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by Town Council ordinance.
- **Assigned** – Amounts that are designated by Management for a particular purpose.
- **Unassigned** – All amounts not included in other spendable classifications.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Use of Restricted Resources:

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

13. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE 2 - CASH

The total amount of the Town's cash consists of the following at June 30, 2017:

Cash	\$35,295,137
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The total amount of the Town's deposits in financial institutions, per the bank statements, at June 30, 2017 was \$36,933,177, of which \$822,566 was covered by federal depository insurance. Deposits of \$36,110,611 were collateralized by a bank. The remaining \$0 was uncollateralized.

NOTE 3 - INVESTMENTS

Investments are reported at their fair value at year end. Although the Town believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at year end.

The fair value measurement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy has three levels which are described below.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 - INVESTMENTS (CONTINUED)

Level 1 Fair Value Measurements

The fair value of stocks is based on quoted prices of the shares held by the Town at year-end. The fair values of common stock, corporate bonds, and U.S. Government securities are based on the closing price reported on the active market where the individual securities are traded.

Level 2 Fair Value Measurements

Investments in certain preferred stocks are valued on the market approach using the quoted market price of the issuer's unrestricted common stock less an appropriate discount.

Level 3 Fair Value Measurements

The fair value of certain investments is not actively traded and significant other observable inputs are not available. In this case, management decides what the best valuation technique to use is.

The investments of the Town consisted of the following as of:

Description	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un- observable inputs (Level 3)
U.S. Government securities	\$ 5,359,766	\$ 5,359,766	\$ -	\$ -
Corporate bonds	239,993	239,993	-	-
Common stock	3,544,793	3,544,793	-	-
Mutual funds	11,195,960	11,195,960	-	-
Deferred retirement option program	1,586,590	1,586,590	-	-
Insurance company-pooled separate account	101,090,313	94,189,687	6,900,626	-
Guaranteed deposits	20,161,666	-	-	20,161,666
Prudential real estate (NAV)	2,978,239	N/A	N/A	N/A
PGIM real estate (NAV)	3,490,960	N/A	N/A	N/A
Total	<u>\$ 149,648,280</u>	<u>\$ 116,116,789</u>	<u>\$ 6,900,626</u>	<u>\$ 20,161,666</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 - INVESTMENTS (CONTINUED)

The investments valued using the net asset value (NAV) method had no unfunded commitments. They are redeemable at quarterly intervals and a notice of 30-60 days is required.

The ratings of the treasuries and bonds consisted of the following:

S&P Rating	Corporate Bonds	U.S. Government Securities
AAA	\$ -	\$ 308,639
AA+	-	3,720,815
AA	-	234,492
AA-	32,405	105,831
A+	-	621,305
A	29,085	-
A-	60,582	-
BBB+	88,404	-
BBB	29,517	-
Unrated	-	368,684
	<u>\$ 239,993</u>	<u>\$ 5,359,766</u>

Investment Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value if its investment or collateral securities that are in the possession of an outside party.

The Pension Trust Fund is authorized to invest in corporate bonds, domestic common stocks, domestic equity real estate and international equities. The investments of this fund are held in trust by a trustee bank, which executes investment transactions under the direction of the pension plan's investment manager.

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.

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 ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts receivable at June 30, 2017 is estimated to be:

General Fund	\$	-
Water Pollution Control		76,645
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	<u>\$</u>	<u>76,645</u>

The allowance for uncollectible taxes receivable at June 30, 2017 is estimated to be:

General Fund	\$	1,145,376
Water Pollution Control		-
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	<u>\$</u>	<u>1,145,376</u>

The allowance for uncollectible interest receivable at June 30, 2017 is estimated to be:

General Fund	\$	-
Water Pollution Control		-
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	<u>\$</u>	<u>-</u>

The allowance for uncollectible accounts due from other governments at June 30, 2017 is estimated to be:

General Fund	\$	-
Water Pollution Control		-
Bonded Projects		-
Capital Nonrecurring		-
Other Governmental Funds		-
Governmental Activities	<u>\$</u>	<u>-</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets:

GOVERNMENTAL ACTIVITIES

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Capital assets (non-depreciable):				
Land	\$ 12,255,000	\$ -	\$ -	\$ 12,255,000
Construction in progress	87,935,000	39,490,329	(10,440,031)	116,985,298
Total capital assets (non-depreciable)	<u>\$ 100,190,000</u>	<u>\$ 39,490,329</u>	<u>\$ (10,440,031)</u>	<u>\$ 129,240,298</u>
Capital assets				
Buildings & Improvements	94,796,000	-	-	94,796,000
Machinery and equipment	17,173,000	1,036,902	(20,822)	18,189,080
Vehicles	15,365,000	1,991,232	(62,238)	17,293,994
Infrastructure	216,847,000	11,011,736	(3,221,182)	224,637,554
Total other capital assets at historical cost	<u>344,181,000</u>	<u>14,039,870</u>	<u>(3,304,242)</u>	<u>354,916,628</u>
Less accumulated depreciation				
Buildings & Improvements	(33,879,000)	(2,050,136)	-	(35,929,136)
Machinery and equipment	(8,674,000)	(1,368,202)	12,000	(10,030,202)
Vehicles	(6,743,000)	(1,003,058)	56,000	(7,690,058)
Infrastructure	(74,635,000)	(3,786,556)	2,100,000	(76,321,556)
Total accumulated depreciation	<u>(123,931,000)</u>	<u>(8,207,952)</u>	<u>2,168,000</u>	<u>(129,970,952)</u>
Capital assets, net	<u>\$ 220,250,000</u>	<u>\$ 5,831,918</u>	<u>\$ (1,136,242)</u>	<u>\$ 224,945,676</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 771,620
Public Safety	732,330
Public Works	4,764,661
Health and social services	226,136
Library	48,683
Planning and development	9,257
Education	1,655,265
	<u>\$ 8,207,952</u>

The following assets are used as collateral:

Capital assets (non-depreciable)	\$9,426,272
Capital assets	2,914,184

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANs or TANs).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs) or grant anticipation notes (GANs).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the General Fund and the Bonded Projects Fund.

Details related to the short-term debt activity for the fiscal year ended June 30, 2017, is as follows:

Type	Purpose	Rate	Due Date	Balance 07/01/16	Issued	Retired	Balance at 06/30/17
BAN	Roads 2014	2.00%	8/10/2016	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -
BAN	High School	2.00%	8/9/2017		25,000,000		25,000,000
BAN	Roads 2014	2.00%	8/9/2017	-	20,000,000	-	20,000,000
	WPC plant						
BAN	upgrade	2.00%	8/9/2017	-	2,000,000	-	2,000,000
				<u>\$ 10,000,000</u>	<u>\$ 47,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 47,000,000</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of outstanding long-term debt at June 30, 2017:

\$4,392,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2018, with various annual principal plus interest. Interest charged at 2.0 - 4.0%.	\$ 1,054,000
\$6,003,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2018, with various annual principal plus interest. Interest charged at 2.0 - 4.0%.	1,526,000
\$25,000,000 Bond Payable - Collateralized bond with a local bank, Maturity in August 2034, with various annual principal plus interest. Interest charged at 2.25 - 4.0%.	23,680,000
\$10,770,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2028, with various annual principal plus interest. Interest charged at 2.0 - 5.0%.	9,280,000
\$10,000,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2035, with various annual principal plus interest. Interest charged at 3.0 - 5.0%.	9,500,000
\$10,000,000 Bond Payable - Collateralized bond with a local bank, Maturity in July 2035, with various annual principal plus interest. Interest charged at 3.0 - 5.0%.	9,500,000
Total long-term debt	<u><u>\$ 54,540,000</u></u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17	Current Portion
Governmental Activities:					
Bonds and notes payable:					
\$4,392,000 bond payable	\$ 1,499,000	\$ -	\$ (445,000)	\$ 1,054,000	\$ 880,000
\$6,003,000 bond payable	2,026,000	-	(500,000)	1,526,000	990,000
\$25,000,000 bond payable	25,000,000	-	(1,320,000)	23,680,000	1,320,000
\$10,770,000 bond payable	9,985,000	-	(705,000)	9,280,000	-
\$10,000,000 bond payable	10,000,000	-	(500,000)	9,500,000	500,000
\$10,000,000 bond payable	10,000,000	-	(500,000)	9,500,000	500,000
Bond premiums	3,645,000	-	(230,000)	3,415,000	230,000
Total bonds and notes payable	<u>62,155,000</u>	<u>-</u>	<u>(4,200,000)</u>	<u>57,955,000</u>	<u>4,420,000</u>
Other liabilities:					
Compensated absences	7,060,000	-	(160,992)	6,899,008	634,849
Land fill closure cost	180,000	-	(15,000)	165,000	15,000
Claims payable	672,000	-	(189,774)	482,226	-
Capital leases	1,502,000	9,426,272	(885,848)	10,042,424	284,691
Net pension liability	18,430,000	-	(4,373,940)	14,056,060	-
Net OPEB obligation	3,199,000	39,575,113	-	42,774,113	-
Total other liabilities	<u>31,043,000</u>	<u>49,001,385</u>	<u>(5,625,554)</u>	<u>74,418,831</u>	<u>934,540</u>
Governmental activities long-term liabilities	<u>\$ 93,198,000</u>	<u>\$ 49,001,385</u>	<u>\$ (9,825,554)</u>	<u>\$ 132,373,831</u>	<u>\$ 5,354,540</u>

The annual principal and interest requirements to maturity for loans & bonds payable are as follows:

	Principal	Interest	Total Debt Service
2018	\$ 4,190,000	\$ 1,988,000	\$ 6,178,000
2019	3,335,000	1,825,313	5,160,313
2020	3,315,000	1,695,713	5,010,713
2021	3,295,000	1,573,113	4,868,113
2022	3,300,000	1,425,513	4,725,513
2023-2027	16,580,000	5,032,308	21,612,308
2028-2032	12,580,000	2,380,433	14,960,433
2033-2037	7,945,000	481,281	8,426,281
	<u>\$ 54,540,000</u>	<u>\$16,401,674</u>	<u>\$ 70,941,674</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 - CAPITAL LEASES

The Town is leasing various equipment. The liabilities under the capital leases are recorded at the present value of the minimum lease payments.

	<u>Payment</u>
2018	\$ 554,562
2019	1,297,804
2020	1,245,720
2021	637,767
2022	703,341
Thereafter	<u>7,631,261</u>
 Total Minimum Lease Payments	 \$ 12,070,455
 Less Amount Representing Interest	 <u>\$ (2,028,031)</u>
 Present Value of Future Minimum Lease Payments	 <u><u>\$ 10,042,424</u></u>

Amortization of assets held under capital leases is included with depreciation expense.

The following is an analysis of the leased assets included in Capital Assets.

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Machinery and equipment	\$ 2,618,228	\$ -	\$ (253,932)	\$ 2,364,296
Vehicles	1,707,126	-	(1,707,126)	-
Infrastructure	549,888	-	-	549,888
Total capital assets	<u>4,875,242</u>	<u>-</u>	<u>(1,961,058)</u>	<u>2,914,184</u>
Accumulated depreciation	<u>(1,763,579)</u>	<u>(536,669)</u>	<u>537,409</u>	<u>(1,762,839)</u>
Capital assets, net	<u><u>\$ 3,111,663</u></u>	<u><u>\$ (536,669)</u></u>	<u><u>\$ (1,423,649)</u></u>	<u><u>\$ 1,151,345</u></u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2017, consisted of the following individual fund receivables and payables:

Receivable Fund	Payable Fund	Amount
General	Bonded Projects	\$ 1,061,843
General	Water Pollution	6,454,790
General	Other Governmental	158,634
General	Internal Service	742,097
General	Agency	47,948
Internal Service	General	140,816
Capital Nonrecurring	General	60,210
Capital Nonrecurring	Internal Service	285,000
		<u>\$ 8,951,338</u>

Interfund balances represent amounts for pooled cash.

Interfund transfers at June 30, 2017 consisted of the following:

Transfers In:						
Transfers Out:	General	Water Pollution	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Total
General	\$ -	\$ -	\$ -	\$ 2,419,449	\$ 57,215	\$ 2,476,664
Water Pollution	390,517	-	-	-	-	390,517
Bonded Projects	-	-	-	-	-	-
Capital Nonrecurring	-	-	500,000	-	-	500,000
Other Governmental Funds	-	-	-	-	-	-
Total	<u>\$ 390,517</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 2,419,449</u>	<u>\$ 57,215</u>	<u>\$ 3,367,181</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 - FUND BALANCE COMPONENTS

At June 30, 2017, the components of fund balances consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Prepaid expenses	\$ 1,938,824	\$ -	\$ -	\$ -
Advance to water pollution fund	2,492,000			
General government grants	-	-	143,021	-
School miscellaneous	-	-	3,170,034	-
Revaluation	-	-	7,748	-
Emergency fuel bank	-	-	5,441	-
Elderly relief	-	-	98,200	-
Recreation	-	-	207,146	-
Police outside services	-	-	205,249	-
Subsequent year's budget	-	-	-	2,424,097
General government - encumbrances	-	-	-	-
Public safety - encumbrances	-	-	-	8,625
Public works - encumbrances	-	-	-	7,211
Library - encumbrances	-	-	-	7,978
Education - encumbrances	-	-	-	198,263
Capital Nonrecurring:				
Capital improvements	-	-	3,887,662	-
Other Governmental Funds:				
Inventory	100,748	-	-	-
Permanent fund principal	38,519	-	-	-
Grants	-	760,037	-	-
Dog fund	-	-	-	-
Open space acquisition	-	-	634,522	-
Community development	-	-	478,130	-
Public library	-	-	274,160	-
Town memorial	-	-	109,043	-
Scholarship	-	-	277,345	-
Macioek post ambulance	-	-	231,637	-
Library trust	-	-	24,957	-
Total	<u>\$ 4,570,091</u>	<u>\$ 760,037</u>	<u>\$ 9,754,295</u>	<u>\$ 2,646,174</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS

PENSION TRUST FUND

The Town administers two single-employer, contributory defined benefit pension plans. The two plans, Town and Police, are included in the financial statements as pension trust funds. The plans do not issue stand-alone financial statements.

Per the charter, the Town Manager is responsible for management of the pension plans, and the Town Treasurer is the treasurer of the plans. The Town Manager has appointed a committee comprised of the Town Manager, Finance Director, Human Resources Director, and Treasurer to manage the pension plans.

Plan Description

Town Pension Plan

The Town pension plan covers all employees working more than 19 hours per week and for more than 5 months per calendar year except teachers covered by the State of Connecticut Teachers' Retirement System and Police.

Police Pension Plan

The Town Police Pension Plan covers employees in the Police Department working more than 35 hours a week and for more than 5 months per calendar year.

Benefits

Town Pension Plan

All employees are 100% vested after 5 years of continuous service. Employees who retire at normal retirement age of 65 receive a retirement benefit.

Police Pension Plan

All employees are 100% vested after 10 years of continuous service. Employees who retire at normal retirement age of the latter of age 50 or 20 years of service receive a retirement benefit.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

At July 1, 2016, plan membership consisted of the following:

	Town Pension Plan	Police Pension Plan
Retirees and beneficiaries currently receiving benefits	266	65
Terminated plan members entitled to benefits but not yet receiving them and inactive with vested benefits	209	28
Active plan members	505	85
	980	178

Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the two defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

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

Funding Policy

Town employees contribute 3.5% of earnings and Police employees contribute 7% of earnings. The Town is required to contribute the amounts necessary to finance the benefits for its employees. Administrative costs of the Plan are financed through investment earnings.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Investment Policy

The Employee's and Police Pension Plans' policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Employee's and Police Pension Plans' investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Concentrations

The pension plans held the following investments representing 5% or more of the pension trust fund's fiduciary net position as of June 30, 2017:

Guaranteed Deposit Account	\$20,161,666
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Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments for the Employee's and Police Pension Plans, net of pension plan investment expense, were 10.4% and 10.8%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to its bargaining unit employees employed on or after July 1, 2011. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible if they are a full-time employee and must have completed less than 35.25 years of service. During the DROP period, pension payments will be made depending on the DROP factor based on the age of the employee. Amounts held by the Police Pension Plan DROP investments at June 30, 2017 were \$1,586,590.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Net Pension Liability of the Town

The net pension liability of the Employee's and Police Pension Plans at June 30, 2017 were as follows:

	Town Pension Plan	Police Pension Plan
Total pension liability	\$74,862,330	\$68,524,324
Plan fiduciary net position	\$69,371,842	\$59,958,752
Net Pension Liability	\$5,490,488	\$8,565,572
Plan fiduciary net position as a percentage of the total pension liability	92.67%	87.50%

Actuarial Assumptions

The total pension liability for the Employee's and Police Pension Plans were determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50% for Employees' Plan, 4% for Police
Salary increases	4.25% for the first 5 years, then 3% thereafter
Investment rate of return	7.00%, net of investment and contract fees, including inflation
Cost method	Entry Age
Amortization method	Average remaining years of employment

Town Pension Plan - Mortality rates were based on the RP-2014 Total Dataset Mortality Table for Males or Females, as appropriate, without any improvement scale.

Police Pension Plan - Mortality rates were based on the RP-2014

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table along with the Board's adopted asset allocation policy:

	Target Allocation	Long-term Expected Rate of Return
Large Cap Equity	30%	8.00%
Small Cap Equity	7%	8.75%
International Equity	13%	7.50%
Fixed Income	10%	5.00%
Long Duration Bond	8%	5.75%
Real Estate	5%	7.00%
Stable Value	27%	4.60%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for both the Employee's Pension Plan and the Police Pension Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Employee's and Police Pension Plans, calculated using the discount rate of 7.00%, as well as what the net pension (asset) liabilities would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town Plan Net Pension (Asset) Liability	\$14,575,205	\$5,490,488	(\$2,167,759)
Police Plan Net Pension (Asset) Liability	\$16,016,261	\$8,565,572	(\$605,085)

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Changes in Net Pension Liability

	Town Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2016	\$ 70,685,000	\$ 63,254,000	\$ 7,431,000
Changes for the year:	-	-	-
Service cost	2,168,119	-	2,168,119
Interest on total pension liability	4,826,512	-	4,826,512
Differences between expected and actual experience including assumption changes	340,198	-	340,198
Employer contributions	-	2,084,038	(2,084,038)
Member contributions	-	710,743	(710,743)
Net investment income	-	6,580,244	(6,580,244)
Benefit payments, including refund to employee contributions	(3,157,499)	(3,157,499)	-
Administrative expenses	-	(99,684)	99,684
Net changes	4,177,330	6,117,842	(1,940,512)
Balances as of June 30, 2017	\$ 74,862,330	\$ 69,371,842	\$ 5,490,488

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2016	\$ 65,584,000	\$ 54,585,000	\$ 10,999,000
Changes for the year:	-	-	-
Service cost	1,163,450	-	1,163,450
Interest on total pension liability	4,480,854	-	4,480,854
Differences between expected and actual experience including assumption changes	53,999	-	53,999
Employer contributions	-	1,913,881	(1,913,881)
Member contributions	-	467,057	(467,057)
Net investment income	-	5,842,838	(5,842,838)
Benefit payments, including refund to employee contributions	(2,757,979)	(2,757,979)	-
Administrative expenses	-	(92,045)	92,045
Net changes	2,940,324	5,373,752	(2,433,428)
Balances as of June 30, 2017	\$ 68,524,324	\$ 59,958,752	\$ 8,565,572

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

For the year ended June 30, 2017, the Town recognized pension expense of \$2,602,238 and \$(8,701,475) for the Town Pension Plan and Police Pension Plan, respectively. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Town Pension Plan:				
Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Outflows Related to Pension
\$2,222,376	\$702,181	\$-	\$-	\$2,924,557

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Inflows Related to Pension
(\$-)	(\$-)	(\$2,855,689)	(\$-)	(\$2,855,689)

Police Pension Plan:

Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Outflows Related to Pension
\$-	\$596,886	\$-	\$-	\$596,886

Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	Total Deferred Inflows Related to Pension
(\$1,834,943)	(\$-)	(\$2,398,304)	(\$-)	(\$4,233,247)

The following is a 5 year schedule of changes in Deferred Outflows and Deferred Inflows related to pensions:

Town Pension Plan:

	2018	2019	2020	2021	2022
Deferred Outflows and (Inflows)	\$287,887	\$287,887	\$(530,121)	\$(359,226)	\$382,441

Police Pension Plan:

	2018	2019	2020	2021	2022
Deferred Outflows and (Inflows)	\$(717,144)	\$(717,144)	\$(1,413,378)	\$(1,202,096)	\$413,401

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

A. Plan Description

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

B. Benefit

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

C. Contributions

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

Employer (School Districts)

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

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

Employees

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

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

At June 30, 2017, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution.

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

For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$14,608,029 for on-behalf amounts for the benefits provided by the State.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Actuarial Assumptions

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

Inflation	2.75%
Salary increases	3.25-6.50% including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Cost method	Entry age
Amortization method	Level percent of salary, closed

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

	Target Allocation	Long-term Expected Rate of Return
Large Cap U.S equities	21%	5.8%
Developed non-U.S. equities	18%	6.6%
Emerging markets (non-U.S.)	9%	8.3%
Core fixed income	7%	1.3%
Inflation linked bond fund	3%	1.0%
Emerging market bond	5%	3.7%
High yield bonds	5%	3.9%
Real estate	7%	5.1%
Private equity	11%	7.6%
Alternative investments	8%	4.1%
Cash	6%	0.4%
	<hr/> <hr/> 100%	

Discount Rate

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

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan.

The plan covers Town, Police and Board of Education employees. Benefit provisions are established through negotiations between the Town and the various unions representing the employees. The Town does not issue a stand-alone financial report for the plan.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post-Employment Benefits Trust Fund. The plan does not issue a standalone financial report.

At July 1, 2015, plan membership consisted of the following:

Retired members and spouses of retired members	246
Active plan members	884
Total	1,130

Funding Policy

The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute as established by the Town and may be amended by the Town.

Annual OPEB Cost and Net OPEB Obligations

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the net OPEB liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The net OPEB liability represents the OPEB liability less the fiduciary net position.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.70%
Salary increases	Graded by age for teachers and administrators and 3.00% for all others, including inflation
Medical Trend Rate	4.60% - 5.46% over 84 years
Cost method	Entry age
Amortization method	Level percent, closed

Mortality rates were based on the RP-2014 Total Dataset Mortality Table for Males or Females, as appropriate, without any improvement scale.

No actuarial experience study has been performed.

Net OPEB

The net OPEB liability at June 30, 2017 was as follows:

Total OPEB liability	\$47,436,233
Plan fiduciary net position	\$4,662,120
Net OPEB Liability	\$42,774,113

Plan fiduciary net position as a percentage of the total OPEB liability 9.83%

Sensitivity of the Net OPEB Liability to Changes in the Medical Trend Rate

The following presents the net OPEB liability of the Plan, calculated using the current trend rate, as well as what the net OPEB (asset) liabilities would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$34,715,834	\$42,774,113	\$53,304,900

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.58% (20 Year Tax-Exempt Municipal Bond Rate) for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member and Town contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was not projected to make all projected future benefit payments of current plan members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plans' fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017 are summarized in the following table along with the Board's adopted asset allocation policy:

	Target Allocation	Long-term Expected Rate of Return (arithmetic real rates)
US Cash	4%	0.50%
US Bonds	26%	3.00%
Non-US Bonds	1%	2.00%
US Large Caps	63%	5.00%
US Small Caps	1%	6.00%
US Mid Caps	1%	5.00%
Foreign Developed Equity	1%	6.00%
Emerging Markets Equity	1%	8.00%
US REITs	1%	5.00%
Hedge Funds – MultiStrategy	1%	4.00%
	<u>100%</u>	

The following presents the net OPEB liability of the Plan, calculated using the current discount rate, as well as what the net OPEB (asset) liabilities would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$51,098,796	\$42,774,113	\$36,127,586

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS (CONTINUED)

Changes in net OPEB liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2016	\$ 50,991,818	\$ 4,275,212	\$ 46,716,606
Changes for the year:	-	-	-
Service cost	2,145,002	-	2,145,002
Interest on total OPEB liability	1,495,837	-	1,495,837
Effect of assumptions changes or inputs	(5,884,633)	-	(5,884,633)
Employer contributions	-	1,311,791	(1,311,791)
Employee contributions	-	-	-
Net investment income	-	386,908	(386,908)
Benefit payments	(1,311,791)	(1,311,791)	-
Administrative expenses	-	-	-
Net changes	(3,555,585)	386,908	(3,942,493)
Balances as of June 30, 2017	\$ 47,436,233	\$ 4,662,120	\$ 42,774,113

OPEB Expense

For the year ended June 30, 2017, the Town recognized OPEB expense of \$34,605,835 for the Plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 13 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2017.

The Town has chosen to establish a Self-Insurance Fund for risks associated with the workers' compensation coverage. The fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. An insurance policy is purchased to cover extraordinary claims above \$250,000.

The Town has chosen to establish a Self-Insurance Fund for risks associated with the employees' health insurance plan. This fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. A premium is charged for each employee enrolled in the Town's health insurance plan. The total charge allocated to each of the funds is calculated using employee rates determined by the self-insurance administrator.

Liabilities of the fund 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 has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

	<u>2017</u>	<u>2016</u>
Claims payable, July 1	1,483,000	1,124,000
Claims incurred and changes in estimates	16,689,947	18,303,000
Claim payments	<u>(16,933,239)</u>	<u>(17,944,000)</u>
Claims payable, June 30	<u>1,239,871</u>	<u>1,483,000</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The Town participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective agents; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 15 - PRIOR PERIOD ADJUSTMENT

Statement of Net Position and Statement of Activities

The Town adopted GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of GASB 75 required that the beginning Net OPEB Liability be adjusted due to the new valuation methods used. This decreased Net Position by \$38,165,677 and increased the Net OPEB Liability by \$38,165,677.

A correction was made to Capital assets (net). This decreased the beginning Capital assets (net) by \$206,000 and decreased beginning Net position by \$206,000.

Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

A correction was made to Capital assets (net) and Long-term liabilities. This decreased the beginning Capital assets (net) by \$206,000, decreased beginning Long-term liabilities by \$135,000 and decreased beginning Net position by \$71,000.

NOTE 16 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of December 28, 2017, the date the financial statements were available to be issued. At that time, there were no material subsequent events.

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 88,860,611	\$ 88,860,611	\$ 89,711,701	\$ 851,090
Charges for services	5,665,810	5,684,510	7,106,929	1,422,419
Intergovernmental	36,085,412	35,812,794	35,492,519	(320,275)
Fines	42,200	42,200	20,934	(21,266)
Licenses and permits	575,900	590,900	1,106,599	515,699
Interest earned	110,000	110,000	2,130,631	2,020,631
Miscellaneous	825,860	889,571	712,672	(176,899)
TOTAL REVENUES	132,165,793	131,990,586	136,281,985	4,291,399
EXPENDITURES				
Current:				
General government	6,989,680	7,540,465	6,726,069	814,396
Public safety	14,994,649	15,181,517	15,032,266	149,251
Public works	17,929,247	17,989,243	17,342,603	646,640
Health and social services	9,685,392	10,007,754	9,277,727	730,027
Library	1,768,346	1,767,188	1,701,863	65,325
Planning and development	1,691,082	1,686,046	1,451,868	234,178
Intergovernmental and interagency	474,981	479,203	477,635	1,568
Education	68,325,880	68,642,316	68,097,696	544,620
Non-departmental	5,023,545	4,408,566	3,876,897	531,669
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	3,970,000	3,970,000	3,970,000	-
Interest expense	3,023,279	3,023,279	2,997,064	26,215
TOTAL EXPENDITURES	133,876,081	134,695,577	130,951,688	3,743,889
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,710,288)	(2,704,991)	5,330,297	8,035,288
OTHER FINANCING SOURCES (USES)				
Prior year surplus utilization	3,748,947	4,772,074	-	(4,772,074)
Bond proceeds	-	-	-	-
Bond premiums	-	-	-	-
Proceeds from capital leases	-	-	-	-
Proceeds from loans	-	-	-	-
Transfers in	410,517	410,517	390,517	(20,000)
Transfers out	(2,449,176)	(2,477,600)	(2,476,664)	936
TOTAL OTHER FINANCING SOURCES (USES)	1,710,288	2,704,991	(2,086,147)	(4,791,138)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 3,244,150	\$ 3,244,150

See accompanying independent auditors' report and management's notes to required supplementary information.

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS – LAST TEN YEARS
YEAR ENDED JUNE 30, 2017

TOWN PENSION PLAN

	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 2,168,119	\$ 2,073,000	\$ 2,064,000	\$ 1,971,000
Interest	4,826,512	4,513,000	4,457,000	4,227,000
Difference between expected and actual experience including assumption changes	340,198	842,000	(627,000)	-
Benefit payments, including refunds of member contributions	<u>(3,157,499)</u>	<u>(2,886,000)</u>	<u>(2,827,000)</u>	<u>(2,797,000)</u>
Net change in total pension liability	4,177,330	4,542,000	3,067,000	3,401,000
Total pension liability - beginning	<u>70,685,000</u>	<u>66,143,000</u>	<u>63,076,000</u>	<u>59,675,000</u>
Total pension liability - ending	<u>74,862,330</u>	<u>70,685,000</u>	<u>66,143,000</u>	<u>63,076,000</u>
Plan fiduciary net position:				
Contributions - employer	2,084,038	2,099,000	2,128,000	2,239,000
Contributions - employee	710,743	784,000	778,000	711,000
Net investment income	6,580,244	1,377,000	2,660,000	7,808,000
Benefit payments, including refunds of member contributions	<u>(3,157,499)</u>	<u>(2,886,000)</u>	<u>(2,827,000)</u>	<u>(2,797,000)</u>
Administrative expense	<u>(99,684)</u>	<u>(93,000)</u>	<u>(96,000)</u>	<u>(77,000)</u>
Net change in plan fiduciary net position	6,117,842	1,281,000	2,643,000	7,884,000
Plan fiduciary net position - beginning	<u>63,254,000</u>	<u>61,973,000</u>	<u>59,330,000</u>	<u>51,446,000</u>
Plan fiduciary net position - ending	<u>69,371,842</u>	<u>63,254,000</u>	<u>61,973,000</u>	<u>59,330,000</u>
Net Pension Liability - Ending	<u>\$ 5,490,488</u>	<u>\$ 7,431,000</u>	<u>\$ 4,170,000</u>	<u>\$ 3,746,000</u>
Plan fiduciary net position as a percentage of the total pension liability	92.7%	89.5%	93.7%	94.1%
Covered-employee payroll	\$ 21,718,142	\$ 21,969,000	\$ 21,017,000	\$ 20,611,000
Net pension liability as a percentage of covered-employee payroll	25.3%	33.8%	19.8%	18.2%

* - Information not available prior to 2014.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS – LAST TEN YEARS
YEAR ENDED JUNE 30, 2017**

POLICE PENSION PLAN

	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 1,163,450	\$ 1,020,000	\$ 962,000	\$ 921,000
Interest	4,480,854	3,952,000	3,910,000	3,758,000
Difference between expected and actual experience including assumption changes	53,999	5,328,000	(187,000)	-
Benefit payments, including refunds of member contributions	<u>(2,757,979)</u>	<u>(2,694,000)</u>	<u>(2,113,000)</u>	<u>(2,170,000)</u>
Net change in total pension liability	2,940,324	7,606,000	2,572,000	2,509,000
Total pension liability - beginning	<u>65,584,000</u>	<u>57,978,000</u>	<u>55,406,000</u>	<u>52,897,000</u>
Total pension liability - ending	<u>68,524,324</u>	<u>65,584,000</u>	<u>57,978,000</u>	<u>55,406,000</u>
Plan fiduciary net position:				
Contributions - employer	1,913,881	1,966,000	1,428,000	1,378,000
Contributions - employee	467,057	476,000	545,000	443,000
Net investment income	5,842,838	970,000	2,368,000	6,735,000
Benefit payments, including refunds of member contributions	<u>(2,757,979)</u>	<u>(2,694,000)</u>	<u>(2,113,000)</u>	<u>(2,170,000)</u>
Administrative expense	<u>(92,045)</u>	<u>(76,000)</u>	<u>(86,000)</u>	<u>(78,000)</u>
Net change in plan fiduciary net position	5,373,752	642,000	2,142,000	6,308,000
Plan fiduciary net position - beginning	<u>54,585,000</u>	<u>53,943,000</u>	<u>51,801,000</u>	<u>45,493,000</u>
Plan fiduciary net position - ending	<u>59,958,752</u>	<u>54,585,000</u>	<u>53,943,000</u>	<u>51,801,000</u>
Net Pension Liability - Ending	<u>\$ 8,565,572</u>	<u>\$ 10,999,000</u>	<u>\$ 4,035,000</u>	<u>\$ 3,605,000</u>
Plan fiduciary net position as a percentage of the total pension liability	87.5%	83.2%	93.0%	93.5%

* - Information not available prior to 2014.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
YEAR ENDED JUNE 30, 2017**

TOWN PENSION PLAN

	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 2,084,038	\$ 2,099,000	\$ 2,128,000	\$ 2,239,000	\$ 2,083,000
Contributions in relation to the actuarially determined contribution	<u>(2,084,038)</u>	<u>(2,099,000)</u>	<u>(2,128,000)</u>	<u>(2,239,000)</u>	<u>(2,083,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 21,718,142	\$ 21,969,000	\$ 21,017,000	\$ 20,611,000	\$ 20,851,000
Contributions as a percentage of covered-employee payroll	9.6%	9.6%	10.1%	10.9%	10.0%

	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 1,699,000	\$ 1,678,000	\$ 1,388,000	\$ 1,171,000	\$ 1,061,000
Contributions in relation to the actuarially determined contribution	<u>(1,699,000)</u>	<u>(1,678,000)</u>	<u>(1,397,000)</u>	<u>(1,171,000)</u>	<u>(1,068,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,000)</u>	<u>\$ -</u>	<u>\$ (7,000)</u>
Covered-employee payroll	\$ 20,851,000	\$ 19,894,000	\$ 19,496,000	\$ 19,921,000	\$ 18,873,000
Contributions as a percentage of covered-employee payroll	8.1%	8.4%	7.1%	5.9%	5.6%

POLICE PENSION PLAN

	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,913,881	\$ 1,966,000	\$ 1,427,000	\$ 1,378,000	\$ 1,239,000
Contributions in relation to the actuarially determined contribution	<u>(1,913,881)</u>	<u>(1,966,000)</u>	<u>(1,427,000)</u>	<u>(1,378,000)</u>	<u>(1,239,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 6,472,133	\$ 6,293,000	\$ 6,263,000	\$ 5,918,000	\$ 6,381,000
Contributions as a percentage of covered-employee payroll	29.6%	31.2%	22.8%	23.3%	19.4%

	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 1,216,000	\$ 1,218,000	\$ 1,075,000	\$ 785,000	\$ 548,000
Contributions in relation to the actuarially determined contribution	<u>(1,216,000)</u>	<u>(1,218,000)</u>	<u>(1,082,000)</u>	<u>(785,000)</u>	<u>(551,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,000)</u>	<u>\$ -</u>	<u>\$ (3,000)</u>
Covered-employee payroll	\$ 6,381,000	\$ 6,636,000	\$ 6,226,000	\$ 5,920,000	\$ 6,008,000
Contributions as a percentage of covered-employee payroll	19.1%	18.4%	17.3%	13.3%	9.1%

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST TEN YEARS
YEAR ENDED JUNE 30, 2017**

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense				
Town Pension Plan	10.40%	2.20%	4.50%	15.20%
Police Pension Plan	10.80%	1.80%	4.60%	14.90%

* - Information not available prior to 2014.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF PROPORTIONATE SHARE OF
NET PENSION LIABILITY – LAST TEN YEARS
YEAR ENDED JUNE 30, 2017**

TEACHERS' PENSION PLAN

	2017	2016	2015
Proportion of the net pension liability	0.00%	0.00%	0.00%
Proportionate share of net pension liability	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 34,905,602	\$ 34,801,000	\$ 37,326,000
Proportionate share of the net pension liability as a percentage of covered-employee payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

* - Information not available prior to 2015.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS – LAST TEN YEARS
YEAR ENDED JUNE 30, 2017**

	<u>2017</u>
Total OPEB Liability:	
Service cost	\$ 2,145,002
Interest on total OPEB liability	1,495,837
Effect of assumption changes or inputs	(5,884,633)
Benefit payments	<u>(1,311,791)</u>
Net change in total OPEB liability	(3,555,585)
Total OPEB liability, beginning	50,991,818
Total OPEB liability, ending	<u>\$ 47,436,233</u>
Fiduciary Net Position:	
Employer contributions	1,311,791
Employee contributions	-
Net investment income	386,908
Benefit payments	<u>(1,311,791)</u>
Net change in plan fiduciary net position	386,908
Fiduciary net position, beginning	<u>4,275,212</u>
Fiduciary net position, ending	<u>4,662,120</u>
Net OPEB liability, ending	\$ 42,774,113
Fiduciary net position as a % of total OPEB liability	9.83%
Covered payroll	\$ 74,684,458
Net OPEB liability as a % of covered payroll	57.27%

* - Information not available prior to 2017.

See accompanying independent auditors' report and management's notes to required supplementary information.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Town is required to have a budget for the General Fund. The Town is not required to adopt an annual budget for its other governmental funds.

Basis of Accounting

The modified accrual basis of accounting is used in preparing budgets except when non-cash items are involved. In that case, the non-cash items are omitted from the budget.

NOTE 2 – ACTUAL (BUDGET BASIS) TO GAAP BASIS RECONCILIATION

Revenues:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$136,281,985
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Differences - budget to GAAP:

On-behalf payments received from the Connecticut for employer contributions for Connecticut Teachers' Retirement System are not budgeted as a revenue, but are revenues under GAAP.	<u>14,608,029</u>
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Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$150,890,014</u></u>
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Expenditures:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$130,951,688
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Differences - budget to GAAP:

On-behalf payments paid by Connecticut for employer contributions for Connecticut Teachers' Retirement System are not budgeted as expenditures, but are expenditures under GAAP.	<u>14,608,029</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$145,559,717</u></u>
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NOTE 3 – OVERSPENT APPROPRIATIONS

There are no materially overspent appropriation.

Other Governmental Funds

**TOWN OF ENFIELD, CONNECTICUT
COMBINING BALANCE SHEET – OTHER GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Open Space Acquisition	Community Development	Town Memorial	Drug Enforcement	Dog	Macioek Post Ambulance
ASSETS						
Cash	\$ 634,522	\$ 639,713	\$ 111,057	\$ 878,682	\$ 18,624	\$ 231,637
Investments	-	-	-	-	-	-
Accounts receivable, net	-	1,499,698	-	10,657	-	-
Taxes receivable, net	-	-	-	-	-	-
Interest receivable, net	-	-	-	-	-	-
Due from other governments, net	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
TOTAL ASSETS	\$ 634,522	\$ 2,139,411	\$ 111,057	\$ 889,339	\$ 18,624	\$ 231,637
LIABILITIES						
Accounts payable	-	3,025	2,564	-	84	-
Accrued expenses	-	-	-	33	65	-
Accrued payroll	-	-	-	1,632	715	-
Accrued interest	-	-	-	-	-	-
Due to other governments	-	-	-	716,091	25,850	-
Deferred revenues	-	-	-	-	-	-
Bond anticipation note	-	-	-	-	-	-
Due to other funds	-	158,558	(550)	-	-	-
TOTAL LIABILITIES	-	161,583	2,014	717,756	26,714	-
DEFERRED INFLOW OF RESOURCES						
Deferred property taxes	-	-	-	-	-	-
Deferred sewer user fees	-	-	-	-	-	-
Deferred EMS revenues	-	-	-	-	-	-
Deferred grant revenues	-	-	-	-	-	-
Deferred loan revenues	-	1,499,698	-	-	-	-
Prepaid property taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	1,499,698	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	171,583	-	-
Committed	634,522	478,130	109,043	-	-	231,637
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	(8,090)	-
TOTAL FUND BALANCES	634,522	478,130	109,043	171,583	(8,090)	231,637
TOTAL LIABILITIES AND FUND BALANCES	\$ 634,522	\$ 2,139,411	\$ 111,057	\$ 889,339	\$ 18,624	\$ 231,637

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
 COMBINING BALANCE SHEET – OTHER GOVERNMENTAL FUNDS
 JUNE 30, 2017

	Public Library	Cafeteria	Educational Grants	Library Trust	Scholarship	Total
ASSETS						
Cash	\$ 277,405	\$ 428,576	\$ 34,906	\$ 63,630	\$ 277,345	\$ 3,596,097
Investments	-	-	-	-	-	-
Accounts receivable, net	-	10,623	-	-	-	1,520,978
Taxes receivable, net	-	-	-	-	-	-
Interest receivable, net	-	-	-	-	-	-
Due from other governments, net	-	180,739	15,310	-	-	196,049
Due from other funds	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Inventories	-	100,748	-	-	-	100,748
TOTAL ASSETS	\$ 277,405	\$ 720,686	\$ 50,216	\$ 63,630	\$ 277,345	\$ 5,413,872
LIABILITIES						
Accounts payable	2,773	564	-	-	-	9,010
Accrued expenses	-	-	-	-	-	98
Accrued payroll	-	3,212	-	-	-	5,559
Accrued interest	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	741,941
Deferred revenues	-	27,708	50,216	-	-	77,924
Bond anticipation note	-	-	-	-	-	-
Due to other funds	472	-	-	154	-	158,634
TOTAL LIABILITIES	3,245	31,484	50,216	154	-	993,166
DEFERRED INFLOW OF RESOURCES						
Deferred property taxes	-	-	-	-	-	-
Deferred sewer user fees	-	-	-	-	-	-
Deferred EMS revenues	-	-	-	-	-	-
Deferred grant revenues	-	-	-	-	-	-
Deferred loan revenues	-	-	-	-	-	1,499,698
Prepaid property taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	1,499,698
FUND BALANCES						
Nonspendable	-	100,748	-	38,519	-	139,267
Restricted	-	588,454	-	-	-	760,037
Committed	274,160	-	-	24,957	277,345	2,029,794
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(8,090)
TOTAL FUND BALANCES	274,160	689,202	-	63,476	277,345	2,921,008
TOTAL LIABILITIES AND FUND BALANCES	\$ 277,405	\$ 720,686	\$ 50,216	\$ 63,630	\$ 277,345	\$ 5,413,872

See accompanying independent auditors' report.

**TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Open Space Acquisition	Community Development	Town Memorial	Drug Enforcement	Dog	Macioek Post Ambulance
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	93,153	-	-	18,200	-
Intergovernmental	-	-	-	142,317	-	-
Fines	-	103,378	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Interest earned	-	-	-	-	-	385
Miscellaneous	25,843	-	68,842	-	815	-
TOTAL REVENUES	25,843	196,531	68,842	142,317	19,015	385
EXPENDITURES						
Current:						
General government	-	48,390	51,489	-	-	-
Public safety	-	-	-	166,582	44,922	-
Public works	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-
Library	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-
Intergovernmental and interagency	-	-	-	-	-	-
Education	-	-	-	-	-	-
Non-departmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
TOTAL EXPENDITURES	-	48,390	51,489	166,582	44,922	-

See accompanying independent auditors' report.

**TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Public Library	Cafeteria	Educational Grants	Library Trust	Scholarship	Total
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	3,603	1,655,382	-	-	-	1,770,388
Intergovernmental	5,482	-	4,482,924	-	-	4,630,723
Fines	-	-	-	-	-	103,378
Licenses and permits	-	-	-	-	-	-
Interest earned	20	-	-	377	-	782
Miscellaneous	4,947	-	-	-	-	100,447
TOTAL REVENUES	14,052	1,655,382	4,482,924	377	-	6,605,668
EXPENDITURES						
Current:						
General government	-	-	-	-	-	99,879
Public safety	-	-	-	-	-	211,504
Public works	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-
Library	9,649	-	-	-	-	9,649
Planning and development	-	-	-	-	-	-
Intergovernmental and interagency	-	-	-	-	-	-
Education	-	1,696,587	4,482,924	-	5,662	6,185,173
Non-departmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
TOTAL EXPENDITURES	9,649	1,696,587	4,482,924	-	5,662	6,506,205

See accompanying independent auditors' report.

**TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Open Space Acquisition	Community Development	Town Memorial	Drug Enforcement	Dog	Macioek Post Ambulance
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 25,843	\$ 148,141	\$ 17,353	\$ (24,265)	\$ (25,907)	\$ 385
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	-	-	-	-	-	-
Bond premiums	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	45,225	11,990	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	45,225	11,990	-
NET CHANGE IN FUND BALANCE	25,843	148,141	17,353	20,960	(13,917)	385
FUND BALANCE - JULY 1 - ORIGINAL	608,679	329,989	91,690	150,623	5,827	231,252
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
FUND BALANCE - JULY 1 - REVISED	608,679	329,989	91,690	150,623	5,827	231,252
FUND BALANCE - JUNE 30	\$ 634,522	\$ 478,130	\$ 109,043	\$ 171,583	\$ (8,090)	\$ 231,637

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE – OTHER GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2017

	Public Library	Cafeteria	Educational Grants	Library Trust	Scholarship	Total
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 4,403	\$ (41,205)	\$ -	\$ 377	\$ (5,662)	\$ 99,463
OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	-
Bond premiums	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	-	-	57,215
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	57,215
NET CHANGE IN FUND BALANCE	4,403	(41,205)	-	377	(5,662)	156,678
FUND BALANCE - JULY 1 - ORIGINAL	269,757	730,407	-	63,099	283,007	2,764,330
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
FUND BALANCE - JULY 1 - REVISED	269,757	730,407	-	63,099	283,007	2,764,330
FUND BALANCE - JUNE 30	\$ 274,160	\$ 689,202	\$ -	\$ 63,476	\$ 277,345	\$ 2,921,008

See accompanying independent auditors' report.

Internal Service Funds

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
JUNE 30, 2017

	Commercial Liability	Health Insurance	Information Technology	Total
ASSETS				
Current assets:				
Cash	\$ 76,848	\$ 1,477,584	\$ 152,979	\$ 1,707,411
Investments	1,171,978	-	-	1,171,978
Accounts receivable (net)	-	-	90,196	90,196
Interfund receivables	-	140,816	-	140,816
Prepaid expenses	487,281	-	-	487,281
Total current assets	<u>1,736,107</u>	<u>1,618,400</u>	<u>243,175</u>	<u>3,597,682</u>
Noncurrent assets:				
Capital assets (net)	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>1,736,107</u>	<u>1,618,400</u>	<u>243,175</u>	<u>3,597,682</u>
LIABILITIES				
Current liabilities:				
Accounts payable	(5,777)	110,522	217,862	322,607
Accrued expenses	-	-	1,358	1,358
Accrued payroll	-	-	18,476	18,476
Claims payable	-	1,239,871	-	1,239,871
Interfund payables	285,000	742,097	-	1,027,097
Long-term liabilities:				
Due within one year	-	-	-	-
Due more than one year	-	-	-	-
TOTAL LIABILITIES	<u>279,223</u>	<u>2,092,490</u>	<u>237,696</u>	<u>2,609,409</u>
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	1,456,884	(474,090)	5,479	988,273
TOTAL NET POSITION	<u>\$ 1,456,884</u>	<u>\$ (474,090)</u>	<u>\$ 5,479</u>	<u>\$ 988,273</u>

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Commerical Liability	Health Insurance	Information Technology	Total
OPERATING REVENUES				
Charges for services	1,389,869	19,439,243	3,352,264	24,181,376
Total operating revenues	<u>1,389,869</u>	<u>19,439,243</u>	<u>3,352,264</u>	<u>24,181,376</u>
OPERATING EXPENSES				
Risk management claims	1,340,339	-	-	1,340,339
Health insurance claims	-	18,735,078	-	18,735,078
Technology services	-	-	3,352,264	3,352,264
Total operating expenses	<u>1,340,339</u>	<u>18,735,078</u>	<u>3,352,264</u>	<u>23,427,681</u>
OPERATING INCOME (LOSS)	<u>49,530</u>	<u>704,165</u>	<u>-</u>	<u>753,695</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest	10,802	-	-	10,802
Total non-operating revenues (expenses)	<u>10,802</u>	<u>-</u>	<u>-</u>	<u>10,802</u>
INCREASE (DECREASE) IN NET POSITION	60,332	704,165	-	764,497
NET POSITION - JULY 1 (ORIGINAL)	1,396,552	(1,178,255)	76,479	294,776
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>(71,000)</u>	<u>(71,000)</u>
NET POSITION - JULY 1 (RESTATE)	<u>1,396,552</u>	<u>(1,178,255)</u>	<u>5,479</u>	<u>223,776</u>
NET POSITION - JUNE 30	<u>\$ 1,456,884</u>	<u>\$ (474,090)</u>	<u>\$ 5,479</u>	<u>\$ 988,273</u>

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Commercial Liability	Health Insurance	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from charges for services	\$ 904,439	\$20,569,663	\$ 3,352,264	\$ 24,826,366
Payments for claims, premiums, and fees	(1,358,658)	(19,329,586)	(3,199,285)	(23,887,529)
Net cash provided (used) by operating activities	(454,219)	1,240,077	152,979	938,837
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	-	-	-
Payments on capital lease	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(18,982)	-	-	(18,982)
Interest	10,802	-	-	10,802
Net cash provided (used) by investing activities	(8,180)	-	-	(8,180)
NET INCREASE (DECREASE) IN CASH	(462,399)	1,240,077	152,979	930,657
CASH AND CASH EQUIVALENTS - JULY 1	539,247	237,507	-	776,754
CASH AND CASH EQUIVALENTS - JUNE 30	\$ 76,848	\$ 1,477,584	\$ 152,979	\$ 1,707,411
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	49,530	704,165	-	753,695
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Bad debt	-	-	-	-
Depreciation	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable (net)	-	-	-	-
Interfund receivables	-	1,130,420	-	1,130,420
Prepaid expenses	(485,430)	-	-	(485,430)
Accounts payable	(18,319)	(355,172)	189,020	(184,471)
Accrued expenses	-	-	(453)	(453)
Accrued payroll	-	-	(6,467)	(6,467)
Claims payable	-	(243,292)	-	(243,292)
Interfund payables	-	3,956	(29,121)	(25,165)
	\$ (454,219)	\$ 1,240,077	\$ 152,979	\$ 938,837
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS				
Cash per Statement of Net Position:				
Cash	76,848	1,477,584	152,979	1,707,411
Investments	-	-	-	-
Restricted cash	-	-	-	-
Cash and cash equivalents	\$ 76,848	\$ 1,477,584	\$ 152,979	\$ 1,707,411

See accompanying independent auditors' report.

Fiduciary Funds

**TOWN OF ENFIELD, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION –
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
 JUNE 30, 2017**

	<u>Pension Trust</u>	<u>OPEB Trust</u>	<u>Total</u>
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	129,384,727	4,662,120	134,046,847
TOTAL ASSETS	<u>129,384,727</u>	<u>4,662,120</u>	<u>134,046,847</u>
LIABILITIES			
Accounts payable	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for Pension and Other Employee Benefits	<u>\$ 129,384,727</u>	<u>\$ 4,662,120</u>	<u>\$ 134,046,847</u>

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Pension Trust</u>	<u>OPEB Trust</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer contributions	\$ 3,997,919	\$ -	\$ 3,997,919
Employee contributions	1,186,470	-	1,186,470
Total contributions	<u>5,184,389</u>	<u>-</u>	<u>5,184,389</u>
Investment earnings			
Interest and dividends	2,793,548	96,285	2,889,833
Net change in fair value of investments	9,715,463	348,674	10,064,137
Total investment earnings	12,509,011	444,959	12,953,970
Less investment expenses			
Investment management fees	225,337	58,051	283,388
Net investment earnings	<u>12,283,674</u>	<u>386,908</u>	<u>12,670,582</u>
Total additions	<u>17,468,063</u>	<u>386,908</u>	<u>17,854,971</u>
DEDUCTIONS			
Benefits paid	5,922,914	-	5,922,914
Administrative expenses	-	-	-
Total deductions	<u>5,922,914</u>	<u>-</u>	<u>5,922,914</u>
CHANGE IN NET POSITION	11,545,149	386,908	11,932,057
NET POSITION AT BEGINNING OF YEAR	<u>117,839,578</u>	<u>4,275,212</u>	<u>122,114,790</u>
NET POSITION AT END OF YEAR	<u>\$ 129,384,727</u>	<u>\$ 4,662,120</u>	<u>\$ 134,046,847</u>

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –
AGENCY FUNDS
JUNE 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
ASSETS				
Cash				
Student activity funds	\$ 446,000	\$ 610,487	\$ (444,352)	\$ 612,135
Employee insurance - board of education	19,000	75,700	(73,186)	21,514
Performance bonds	1,018,000	73,578	(148,685)	942,893
Cultural arts commission	35,000	5,301	(2,896)	37,405
Smyth Bus Contract	100,000	-	-	100,000
Total cash	<u>1,618,000</u>	<u>765,066</u>	<u>(669,119)</u>	<u>1,713,947</u>
TOTAL ASSETS	<u>1,618,000</u>	<u>765,066</u>	<u>(669,119)</u>	<u>1,713,947</u>
LIABILITIES				
Accounts payable				
Student activity funds	27,000	124	-	27,124
Total accounts payable	<u>27,000</u>	<u>124</u>	<u>-</u>	<u>27,124</u>
Due to specific individuals				
Student activity funds	419,000	610,363	(444,352)	585,011
Employee insurance - board of education	19,000	75,700	(73,186)	21,514
Performance bonds	970,000	73,578	(148,633)	894,945
Cultural arts commission	35,000	5,301	(2,896)	37,405
Smyth Bus Contract	100,000	-	-	100,000
Total due to specific individuals	<u>1,543,000</u>	<u>764,942</u>	<u>(669,067)</u>	<u>1,638,875</u>
Due to town				
Performance bonds	48,000	-	(52)	47,948
Total due to town	<u>48,000</u>	<u>-</u>	<u>(52)</u>	<u>47,948</u>
TOTAL LIABILITIES	<u>1,618,000</u>	<u>765,066</u>	<u>(669,119)</u>	<u>1,713,947</u>

See accompanying independent auditors' report.

Report of Tax Collector
and
Schedule of Debt Limitation

TOWN OF ENFIELD, CONNECTICUT
 REPORT OF TAX COLLECTOR
 YEAR ENDED JUNE 30, 2017

Grand List Year	Lawful Corrections				Collections				Uncollected Taxes 6/30/2017
	Uncollected Taxes 7/1/2016	Additions	Deductions	Transfers to Suspense	Adjusted Amount Collectible	Taxes	Suspense Collections	Interest and Lien Fees	
Town Taxes:									
2015	90,124,600	194,689	1,018,399	-	89,300,890	87,700,848	-	318,132	88,018,980
2014	1,638,496	21,159	33,977	-	1,625,678	995,839	-	220,307	1,216,146
2013	720,567	16,669	23,190	-	714,046	274,619	-	106,793	381,412
2012	417,774	418	14,296	-	403,896	80,396	-	42,622	123,018
2011	267,667	79	13,616	-	254,130	22,749	-	14,706	37,455
2010	210,119	100	11,515	-	198,704	7,734	-	4,418	12,152
2009	234,010	-	11,227	-	222,783	3,736	-	4,106	7,842
2008	212,285	-	11,054	-	201,231	3,421	-	5,455	8,876
2007	253,621	-	11,026	-	242,595	1,350	-	1,410	2,760
2006	228,957	-	9,993	-	218,964	647	-	2,105	2,752
2005	333,830	-	8,569	-	325,261	3,249	-	6,113	9,362
2004	371,199	58	7,985	-	363,272	551	-	1,213	1,764
2003	241,615	29	7,385	-	234,259	1,325	-	2,262	3,587
2002	247,088	-	5,421	207,542	34,125	483	273	1,024	1,780
2001	227,271	-	3,237	210,265	13,769	73	73	186	332
2000 & Prior	203,667	-	16,786	186,881	-	-	-	-	-
Town Tax Total	95,932,766	233,201	1,207,676	604,688	94,353,603	89,097,020	346	730,852	89,828,218
Fire Taxes:									
2015	11,589,536	25,101	34,655	-	11,579,982	11,420,245	-	40,520	11,460,765
2014	206,971	3,106	4,884	-	205,193	115,882	-	29,047	144,929
2013	89,429	2,413	3,257	-	88,585	28,473	-	12,131	40,604
2012	47,825	44	1,784	-	46,085	3,962	-	2,213	6,175
2011	38,110	8	1,797	-	36,321	2,096	-	1,111	3,207
2010	30,281	10	1,145	-	29,146	504	-	511	1,015
2009	28,006	-	1,102	-	26,904	396	-	461	857
2008	26,673	-	1,066	-	25,607	257	-	344	601
2007	31,333	-	1,063	-	30,270	73	-	112	185
2006	27,425	-	739	-	26,686	73	-	194	267
2005	41,875	-	800	-	41,075	284	-	461	745
2004	35,864	5	618	-	35,251	59	-	133	192
2003	25,617	3	571	-	25,049	89	-	179	268
2002	27,229	-	404	22,676	4,149	49	21	112	182
2001	27,232	-	299	25,317	1,616	6	6	16	28
2000 & Prior	24,563	-	1,804	22,759	-	-	-	-	-
Fire Tax Total	12,297,969	30,690	55,988	70,752	12,201,919	11,572,448	27	87,545	11,660,020
Total	108,230,735	263,891	1,263,664	675,440	106,555,522	100,669,468	373	818,397	101,488,238

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
 SCHEDULE OF DEBT LIMITATION
 JUNE 30, 2017

Base:
 Receipts from taxation \$ 101,488,238

Category	Debt Limitation	Net Indebtedness	Excess Debt Limitation
General Purpose (2.25 times base)	\$ 228,348,536	\$ 95,831,000	\$ 132,517,536
Schools (4.5 times base)	456,697,071	35,983,000	420,714,071
Sewers (3.75 times base)	380,580,893	36,000,000	344,580,893
Urban renewal (3.25 times base)	329,836,774	-	329,836,774
Pension deficit (3 times base)	-	-	-

See accompanying independent auditors' report.

Statistical Section

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

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Financial Trends These schedules contain trend information to help readers understand how the financial performance and well-being have changed over time.	73-76
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Demographic and Economic Information These schedules offer demographic and economic indicators to help readers understand the environment within which the financial activities take place.	85-86
Operating Information These schedules contain service and infrastructure data to help readers understand how the information in the financial report relates to the services provided and the activities performed.	87-89

TOWN OF ENFIELD, CONNECTICUT

TABLE 1

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(in Thousands)

	2008	2009	2010	Fiscal Year		2012	2013	2014	2015	2016	2017
Governmental Activities:											
Net investment in capital assets	\$ 182,424	\$ 174,618	\$ 186,149	\$ 189,683	\$ 191,750	\$ 189,574	\$ 192,678	\$ 221,663	\$ 267,221	\$ 221,812	
Restricted	64	65	1,905	6,057	1,983	1,852	1,782	1,758	1,701	799	
Unrestricted	36,178	41,210	27,376	24,273	26,465	29,354	21,239	18,082	(17,670)	7,021	
Total Governmental Activities	\$ 218,666	\$ 215,893	\$ 215,430	\$ 220,013	\$ 220,198	\$ 220,780	\$ 215,699	\$ 241,503	\$ 251,252	\$ 229,632	

TOWN OF ENFIELD, CONNECTICUT

TABLE 2

CHANGES IN NET POSITION

Last Ten Fiscal Years

(In Thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	\$ 5,774	\$ 5,251	\$ 6,054	\$ 6,246	\$ 12,111	\$ 7,304	\$ 9,552	\$ 9,040	\$ 17,781	\$ 8,092
Public safety	11,524	11,041	11,843	12,244	12,612	13,134	16,121	15,315	32,366	5,170
Recreation	551	478	30	30	30	29				
Public works	21,396	20,017	24,585	22,456	25,465	25,388	25,829	26,430	26,780	26,279
Health and social services	7,621	8,176	8,193	8,481	8,761	8,837	9,157	9,600	9,967	9,504
Library	1,735	1,720	1,766	1,790	1,773	1,789	1,809	1,858	1,740	1,760
Planning and development	985	857	1,152	1,073	1,165	1,326	1,234	1,518	1,471	1,461
Intergovernment and interagency	364	373								
Education	107,037	88,234	81,373	82,836	83,469	84,160	86,343	83,736	86,113	90,546
Non-departmental, Capital Outlay & Other										6,817
Interest on long-term debt	1,099	1,269	1,337	1,107	1,116	875	922	2,683	3,002	2,021
Total Governmental activities	158,086	137,416	136,333	136,263	146,502	142,842	150,967	150,180	179,220	151,650
expenses										
Program revenues:										
Governmental activities:										
Changes for services:										
General government	1,247	979	1,499	1,410	2,000	1,801	4,035	3,134	3,093	2,209
Public safety	335	149	660	944	634	459	451	603	672	450
Recreation	308	376	193	225	141	192				
Public works	2,129	1,060	1,108	1,381	1,077	2,255	2,268	5,058	4,945	4,878
Health and social services	3,644	4,260	3,943	3,943	4,477	3,788	4,070	4,219	4,353	4,653
Library	27	21	21	24	24	17	18	16	16	4
Planning and development	55	59	59	33	28	41				
Education	3,954	3,683	3,583	2,626	1,529	1,757	3,798	1,094	1,099	1,936
Operating grants and contributions	64,003	40,399	42,158	45,292	46,569	45,565	48,368	46,447	50,443	54,595
Capital grants and contributions	635	1,500	2,668	5,003	8,829	4,622	3,986	28,935	32,435	54,02
Total governmental activities	76,337	52,486	55,944	60,881	65,308	60,497	66,994	89,506	97,056	74,127
program revenues										
Net (expenses) Revenue	(81,749)	(84,930)	(80,389)	(75,382)	(81,194)	(82,345)	(83,973)	(60,674)	(82,164)	(77,523)
Governmental Activities										
General (Revenues and Other Changes in Net position):										
Governmental activities:										
Property taxes	76,103	76,668	75,936	76,638	77,384	79,475	84,360	84,230	89,493	91,165
Grants and contributions not restricted to specific programs	5,098	4,661	3,399	3,091	3,538	3,333	1,708	2,065	2,092	2,114
Unrestricted investment earnings	397	828	591	236	457	119	189	183	328	994
Miscellaneous	1,292									
Total governmental activities	82,890	82,157	79,926	79,965	81,379	82,927	86,257	86,478	91,913	94,273
Change in Net Position:	\$ 1,141	\$ (2,773)	\$ (463)	\$ 4,583	\$ 185	\$ 582	\$ 2,284	\$ 25,804	\$ 9,749	\$ 16,750
Governmental activities										

FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (In Thousands)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Nonspendable										
Committed										
Assigned										
Unassigned										
Reserved	931	3,908	4,237							
Unreserved	20,777	15,234	14,027							
Total General Fund	\$ 21,708	\$ 19,142	\$ 18,264	\$ 18,384	\$ 18,085	\$ 19,427	\$ 23,465	\$ 25,802	\$ 26,590	\$ 29,633
All Other Governmental Funds:										
Nonspendable										
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	4,486	2,715	3,215							
Unreserved, reported in:										
Special Revenue Funds	(43)	(485)	(2,392)							
Capital Projects Funds	9,676	9,790	7,004							
Permanent Funds	25	26	25							
Total All Other Governmental Funds	\$ 14,144	\$ 12,046	\$ 7,852	\$ 6,158	\$ (2,502)	\$ (1,943)	\$ (7,632)	\$ (3,829)	\$ (9,440)	\$ (33,943)

The Town implemented GASB No. 54 in fiscal year 2011, which changed the Town's method of reporting governmental fund balance.

TOWN OF ENFIELD, CONNECTICUT

TABLE 4

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Property Taxes	75,714	77,302	75,870	75,675	76,401	79,821	84,438	84,505	86,634	89,712
Intergovernmental	69,320	45,817	46,510	51,949	54,327	58,667	54,709	77,828	82,168	62,907
Charges for Services	8,254	10,849	11,010	10,586	9,914	10,144	13,931	12,876	13,501	13,435
Contributions	62	176	104	733	243	117	253	275	274	
Investment Income	1,708	828	421	197	440	87	189	182	321	2,119
Other Revenues	6,156	218	109	110	2	6	10	45	202	2,115
Total Revenues	161,214	135,190	134,024	139,250	141,327	148,842	153,530	175,711	183,100	170,288
Expenditures:										
General government	5,206	4,763	5,102	5,680	10,510	6,909	6,684	7,097	6,506	6,825
Public safety	9,802	10,171	11,041	11,846	11,874	12,225	12,974	13,715	13,661	13,330
Recreation	507	449								
Public works	14,125	13,239	20,406	18,247	18,636	18,949	19,605	21,326	21,174	21,529
Health and social services	7,674	7,997	7,606	7,931	8,343	8,353	8,557	8,917	9,573	9,278
Library	1,565	1,578	1,554	1,614	1,603	1,593	1,630	1,724	1,673	1,711
Planning and development	974	857	1,152	1,073	1,165	1,326	1,204	1,418	1,388	1,452
Intergovernmental and interagency	364	373	384	403	413	448	435	442	464	478
Education	105,828	83,057	75,928	78,693	78,875	79,292	82,902	79,340	82,198	88,891
Nondepartmental	4,122	4,482	8,018	4,987	5,742	4,995	5,453	6,225	6,355	5,791
Capital Outlay	20,184	7,851	4,964	8,057	14,243	12,684	13,001	50,908	60,319	44,479
Debt service:										
Principal	3,000	3,850	4,130	2,400	2,860	2,093	1,947	3,336	4,436	3,970
Interest	934	1,568	1,345	1,177	1,092	875	1,572	1,572	1,572	3,980
Total expenditures	174,285	140,235	141,630	142,108	155,356	149,742	155,964	196,020	209,319	201,714
Excess of revenues over (under) expenditures	(13,071)	(5,045)	(7,606)	(2,858)	(14,029)	(900)	(2,434)	(20,309)	(26,219)	(31,426)
Other financing sources (uses)										
Issuance of bonds	19,000	10,395		1,287	4,285	2,707	783	25,000	20,000	9,426
Capital Lease Issuance		437	1,072						10,770	
Issuance of refunding bonds			10,395						(11,867)	
Payments to escrow agents			(12,627)						1,222	
Issuance of bond refunding premiums			1,009							
Issuance of bond premiums						94		1,449	1,271	739
Transfers in	8,248	11,649	11,671	5,264	4,734	4,447	4,705	2,469	4,142	3,367
Transfers out	(8,248)	(11,349)	(8,986)	(5,264)	(3,949)	(4,447)	(4,705)	(2,469)	(4,142)	(3,367)
Total other financing sources	19,000	11,132	2,534	1,287	5,070	2,801	783	26,449	21,396	10,165
Net Change in Fund Balances	\$ 5,929	\$ 6,087	\$ (5,072)	\$ (1,571)	\$ (8,959)	\$ 1,901	\$ (1,651)	\$ 6,140	\$ (4,823)	\$ (21,261)
Debt Service as a Percentage of Noncapital Expenditures	2.55%	4.09%	4.01%	2.67%	2.80%	2.17%	2.46%	3.38%	4.03%	5.06%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years
(in Thousands)

Fiscal Year	Commercial			Personal Property	Motor Vehicle	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
	Residential	Industrial	Land							
2017	1,800,422	597,573	34,047	251,750	262,786	45,923	2,900,655	30.86	\$ 4,143,793	70.00%
2016	1,798,248	599,968	32,522	229,445	259,495	42,400	2,877,278	29.89	\$ 4,110,397	70.00%
2015	1,796,940	592,825	33,312	204,876	261,380	38,239	2,851,094	29.13	\$ 4,072,991	70.00%
2014	1,795,479	604,574	33,473	198,099	252,396	38,698	2,845,323	29.26	\$ 4,064,747	70.00%
2013 ⁽¹⁾	1,795,350	611,232	35,112	194,670	258,008	41,300	2,853,072	27.84	\$ 4,075,817	70.00%
2012	2,113,105	683,778	26,923	181,749	245,484	37,669	3,213,370	23.88	4,590,529	70.00%
2011	2,109,385	682,905	26,911	181,113	232,306	39,356	3,193,284	23.88	4,561,806	70.00%
2010	2,105,310	667,538	26,840	184,333	228,213	47,248	3,164,986	23.88	4,521,408	70.00%
2009	2,099,258	663,158	30,091	178,150	240,108	36,840	3,173,925	23.88	4,534,179	70.00%
2008 ⁽²⁾	2,090,279	660,989	31,570	186,657	237,277	45,202	3,161,570	23.88	4,516,529	70.00%
2007	1,211,014	472,041	21,321	182,567	235,424	38,735	2,083,632	36.18	2,976,617	70.00%
2006	1,202,479	458,176	20,824	173,138	222,785	32,369	2,045,033	35.20	2,921,476	70.00%

Source: Town of Enfield Office of Tax Assessor

Note:

(1) Revaluation completed effective October 1, 2011 Grand List. The basis of assessment is 70% of the 2011 fair market value.

(2) Revaluation completed effective October 1, 2006. The basis of assessment is 70% of the 2006 fair market value.

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

(Rate per \$1,000 of Assessed Value)

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Real Estate and Personal Property</u>										
Town:										
General	23.88	23.88	23.88	23.88	23.88	27.84	29.26	29.13	29.89	30.86
District:										
Enfield F.D.	2.35	2.35	2.35	2.50	2.65	3.05	3.15	3.25	3.35	3.45
Thompsonville F.D.	4.47	5.15	5.15	5.15	5.60	6.60	6.45	7.25	8.34	8.34
Hazardville F.D.	1.75	1.75	1.75	1.75	1.75	2.10	2.10	2.40	2.45	2.50
N. Thompsonville F.D.	2.40	2.40	2.40	2.40	2.40	2.90	3.05	3.15	3.15	3.15
Shaker Pines F.D.	1.10	1.10	1.70	1.70	1.70	2.20	2.30	2.30	2.30	2.30
<u>Motor Vehicles*</u>										
Town:										
General	23.88	23.88	23.88	23.88	23.88	27.84	29.26	29.13	29.89	28.80
District:										
Enfield F.D.	2.35	2.35	2.35	2.50	2.65	3.05	3.15	3.25	3.35	3.20
Thompsonville F.D.	4.47	5.15	5.15	5.15	5.60	6.60	6.45	7.25	8.34	3.20
Hazardville F.D.	1.75	1.75	1.75	1.75	1.75	2.10	2.10	2.40	2.45	2.50
N. Thompsonville F.D.	2.40	2.40	2.40	2.40	2.40	2.90	3.05	3.15	3.15	3.20
Shaker Pines F.D.	1.10	1.10	1.70	1.70	1.70	2.20	2.30	2.30	2.30	2.30

*Due to a change in Connecticut state law, motor vehicle tax rates were capped at 32 mills starting in fiscal year 2017 which was then divided between the town and fire districts
Source: Town of Enfield Finance Department

TOWN OF ENFIELD, CONNECTICUT

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

(In Thousands)

Taxpayer	October 1, 2015*			October 1, 2005		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Mass Mutual Insurance	\$ 48,816	1	1.68 %	\$ 36,149	3	1.73 %
NIP Owner LLC	36,873	2	1.27 %			
Connecticut Light and Power Company	35,407	3	1.22 %	19,360	6	0.93 %
Centro Enfield LLC	34,988	4	1.21 %			
Hallmark Cards Inc	26,291	5	0.91 %	43,886	2	2.10 %
Paramount Commons at Enfield LLC	22,650	6	0.78 %			
Brooks Brothers Group Inc	22,532	7	0.78 %			
Eppendorf, Inc.	18,240	8	0.63 %			
Equity One (Northeast Portfolio) LLC	18,099	9	0.62 %			
Northland Bigelow Commons LLC	16,786	10	0.58 %	11,643	8	0.56 %
Lego Building Corp			-	61,811	1	2.96 %
Enfield Square, LLC			-	26,526	4	1.27 %
Casual Corner Group, Inc			-	21,465	5	1.03 %
Gateway Conn Properties			-	12,855	7	0.62 %
Galileo Freshwater Stateline			-	11,512	9	0.55 %
Galileo Enfield Commons			-	10,871	10	0.52 %
Total	\$ 280,682		9.68 %	\$ 256,078		12.27 %

Source: Town of Enfield, Office of Tax Assessor

* Fiscal year July 1, 2016 - June 30, 2017

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Tax Rate in Mills	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2017 RE & PP	30.86	\$ 80,821	\$ 79,878	98.83%	\$ -	\$ 79,878	98.83%
2017 MV	28.80	8,480	7,822	92.24%	-	7,822	92.24%
2016	29.89	86,126	84,487	98.10%	1,009	85,496	99.27%
2015	29.13	83,052	81,517	98.15%	1,096	82,613	99.47%
2014	29.26	83,132	81,428	97.95%	1,380	82,808	99.61%
2013	27.84	80,002	78,202	97.75%	1,569	79,771	99.71%
2012	23.88	76,343	74,517	97.61%	1,635	76,152	99.75%
2011	23.88	75,863	74,191	97.80%	1,453	75,644	99.71%
2010	23.88	75,354	73,940	98.12%	1,216	75,156	99.74%
2009	23.88	75,612	74,138	98.05%	1,233	75,371	99.68%
2008	23.88	75,213	73,579	97.83%	1,416	74,995	99.71%

*Due to a change in Connecticut state law, motor vehicle tax rates were capped at 32 mills starting in fiscal year 2017 which was then divided between the town and fire districts
Source: Tax Collector's Report, Comprehensive Annual Financial Report.

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(In Thousands, Except Per Capita)

Fiscal Year	Governmental Activities				Capital Leases	Total Primary Government	Ratio of Bonded Debt to Taxable Assessed Value	General Bonded Debt Per Capita	Debt as a Percentage of Family Income
	General Obligation Bonds	General Obligation Bond Anticipation Notes	General Obligation Notes	Capital Leases					
2017	\$ 57,955	\$ 47,000	\$ 10,042	\$ 114,997	3.96%	2,555	8.24%		
2016	62,155	10,000	1,502	73,657	2.56%	1,637	5.46%		
2015	42,972	20,000	2,922	65,894	2.31%	1,464	4.88%		
2014	19,450	16,500	4,633	40,583	1.43%	902	3.11%		
2013	21,975	11,500	5,546	39,021	1.37%	867	2.99%		
2012	23,905	4,867	28,772	28,772	0.90%	639	2.20%		
2011	26,765	1,923	28,688	28,688	0.90%	652	2.33%		
2010	29,165	1,145	30,310	30,310	0.96%	674	3.21%		
2009	34,650	358	35,008	35,008	1.10%	778	3.54%		
2008	38,500	7	38,507	38,507	1.22%	856	3.89%		

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2017

(In Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Debt repaid with property taxes			
Enfield Fire District	\$ 102	100%	\$ 102
Thompsonville Fire District	3,697	100%	3,697
Hazardville Fire District	68	100%	68
North Thompsonville Fire District	907	100%	907
	4,774		-
Subtotal, overlapping debt	4,774		4,774
Town Direct Debt	104,955		104,955
Total Direct and Overlapping Debt	\$ 109,729		\$ 109,729

SCHEDULE OF DEBT LIMITATION

June 30, 2017

(Unaudited)

(In Thousands)

Total Collections (Including Interest and Lien Fees) for the Year ended June 30, 2017						\$ 101,488
Reimbursement for Revenue Loss on: Elderly Freeze						<u>-</u> <u>\$ 101,488</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	
Debt Limitation						
2 1/4 times base	\$ 228,348	\$ -	\$ -	\$ -	\$ -	
4 1/2 times base	-	456,696	-	-	-	
3 3/4 times base	-	-	380,580	-	-	
3 1/4 times base	-	-	-	329,836	-	
3 times base	-	-	-	-	304,464	
Total debt limitation	<u>228,348</u>	<u>456,696</u>	<u>380,580</u>	<u>329,836</u>	<u>304,464</u>	
Indebtedness:						
Bonds payable	43,557	10,983				
Fire District debt	4,774					
Authorized/Unissued	47,500	25,000	36,000			
Total indebtedness	<u>95,831</u>	<u>35,983</u>	<u>36,000</u>	<u>-</u>	<u>-</u>	
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 132,517</u>	<u>\$ 420,713</u>	<u>\$ 344,580</u>	<u>\$ 329,836</u>	<u>\$ 304,464</u>	
Total Capacity of Borrowing (7 times Base)						\$ 710,416
Total present Indebtedness						<u>167,814</u>
Margin for Additional Borrowing						<u>\$ 542,602</u>

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(In thousands)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limitation	\$ 710,416	\$ 688,688	\$ 665,616	\$ 663,733	\$ 626,094	\$ 599,466	\$ 593,768	\$ 591,241	\$ 601,174	\$ 585,830
Total Net Debt Applicable to Limit	167,814	163,112	140,025	83,747	91,272	58,172	36,960	39,228	38,552	40,320
Legal Debt Margin	\$ 542,602	\$ 525,576	\$ 525,591	\$ 579,986	\$ 534,822	\$ 541,294	\$ 556,808	\$ 552,013	\$ 562,622	\$ 545,510
Total Net Debt Applicable to the Limit as Percentage of Debt Limit	23.62%	23.68%	21.04%	12.62%	14.58%	9.70%	6.22%	6.63%	6.41%	6.88%

Source: Comprehensive annual financial report - Schedule of Debt Limitation.

Note: See Table 11 for calculation of current year debt limitation.

TOWN OF ENFIELD, CONNECTICUT

TABLE 13

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(In Thousands, Except Median Age)

Fiscal Year	Population ⁽¹⁾	Per Capita Income ⁽²⁾	Median Household Income ⁽²⁾	Median Age ⁽¹⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2017	45	31	71	41	5	4.4%
2016	45	30	68	41	5	5.0%
2015	45 \$	30 \$	67	41	5	4.5%
2014	45	29	66	41	5	5.7%
2013	45	29	66	41	5	8.0%
2012	45	29	66	41	6	8.7%
2011	44	28	65	40	6	6.8%
2010	45	21	61	37.3	6	8.3%
2009	45	22	61	37.3	6	7.7%
2008	45	22	61	37.3	6	6.5%

⁽¹⁾ Source: U.S. Department of Commerce, Bureau of the Census - 2012-2016 American Community Survey 5 Year Estimates - Demographic and Housing Estimates

⁽²⁾ Source: U.S. Department of Commerce, Bureau of the Census - 2012-2016 American Community Survey 5 Year Estimates - Selected Economic Characteristics

⁽³⁾ Source: Town of Enfield School Administration

⁽⁴⁾ Source: State of Connecticut Department of Labor October 2017

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	Nature of Business	2017			2008		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Mass Mutual Insurance	Insurance	1,755	1	7.35%	1,900	1	8.70%
Town of Enfield	Municipality	1,545	2	6.47%			
Lego Building Corp.	Plastic Games & Toys	715	3	3.00%	394	6	1.80%
Retail Brand Alliance	Retail	560	4	2.35%	400	5	1.83%
Eppendorf Manufacturing	Life Science	230	5	0.96%			
CT Dept. of Corrections	Detention Facilities	225	6	0.94%	311	7	1.42%
Martin Brower	Transportation	210	7	0.88%	250	8	1.15%
Target	Retail	200	8	0.84%			
Underwriter's Labs	Product Safety Testing	153	9	0.64%			
Super Stop & Shop	Grocery Chain	150	10	0.63%			
Kohl's	Retail	118	11	0.49%			
Hallmark Cards, Inc.	Greeting Cards				803	2	3.68%
Precision Camera	Camera Repair				500	3	2.29%
CUNO Inc.	Water Filters				400	4	1.83%
Total		5,861		24.55%	4,958		22.70%

Source: Town of Enfield, Official Statement and Historical Report

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	68	57	56	61	55	61	58	59	68	63
Public Safety	113	139	149	137	130	136	121	138	138	138
Refuse collection	20	20	20	19	20	20	20	21	22	22
Social Services	53	68	69	63	68	63	63	68	74	75
Other public works	102	115	117	109	110	112	109	109	65	68
Parks and recreation	3	2	2	2	2	3	3	3	3	2
Library	18	18	17	18	15	16	20	19	19	18
Education	757	757	766	771	781	796	826	835	831	854
Total	1,134	1,176	1,196	1,180	1,181	1,207	1,220	1,252	1,220	1,240

Source: Historical annual reports and departmental reports.

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government:										
Building permits issued	2,401	2,463	2,527	2,289	2,174	2,143	1,896	1,782	1,782	1,718
Police:										
Physical arrests	1,754	1,541	1,438	1,303	1,406	2,729	2,913	1,510	1,510	1,616
Parking violations	90	190	203	485	217	325	507	583	583	457
Traffic violations	8,679	8,200	5,087	10,640	10,711	10,357	11,235	11,797	11,797	12,815
Refuse collection:										
Refuse collected (tons per day)	67	55	55	66	70	69	85	62	62	60
Recyclables (tons per day)	18	16	16	18	21	18	16	13	13	12
Library:										
Volumes in collection	134,241	134,241	154,269	141,271	136,043	136,043	147,751	145,570	145,570	141,039
Total volumes borrowed	239,019	277,414	290,609	309,780	329,064	352,091	368,370	383,243	383,243	350,951
Wastewater:										
Average daily sewage treatment (thousands of gallons)	4,587	5,139	4,550	5,295	4,954	5,820	5,160	5,900	5,900	6,532

Source: Historical departmental reports.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	2
Patrol districts	7	7	7	7	7	7	7	7	7	7
Fire stations										
Refuse collection:	6	6	6	6	6	6	6	6	6	6
Collection trucks	13	13	13	13	14	13	15	15	13	10
Other public works:										
Streets (miles)	183	183	181	181	181	181	181	181	181	180
Highways (miles)	30	30	30	30	30	30	30	30	30	30
Streetlights	3699	3690	3690	3690	3690	3690	3690	3690	3690	57
Traffic signals	8	8	8	8	8	8	8	8	8	8
Parks and recreation:										
Acreage	404	404	404	404	404	404	404	404	404	205
Playgrounds	20	20	21	21	21	21	11	11	11	10
Baseball/softball diamonds	36	36	36	36	36	36	35	35	35	30
Soccer/football fields	17	17	17	17	17	17	17	17	17	17
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	286	286	286	286	286	286	286	286	286	300
Storm sewers (miles)	400	400	400	400	400	400	400	400	400	400