

Town of Enfield, Connecticut

**Comprehensive Annual
Financial Report**

Fiscal Year Ended June 30, 2018

Town of Enfield, Connecticut

**Comprehensive Annual
Financial Report**

Fiscal Year Ended June 30, 2018

**Issued by:
Department of Finance**

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JUNE 30, 2018
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Introductory Section



TOWN OF ENFIELD

LETTER OF TRANSMITTAL

December 28, 2018

Mr. Christopher W. Bromson
Town Manager
Town of Enfield
Enfield, Connecticut 06082

Dear Mr. Bromson:

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, 2018.

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, 2018.

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, 2018 are free of material misstatement. The independent audit involves 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, 2018 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, 2018 population of 44,608. 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 Retail Brand Alliance, Inc. Other major employers include LEGO Inc. and Eppendorf.

The 2016 Grand List, upon which the 2017-2018 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 2018 and 2019 the Town Officials budgeted \$1.718 million and \$1.275 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 2018, voters approved spending approximately \$85 million to refurbish the JFK Middle School. That project is in its beginning stages. 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, built a Senior Center, rebuild the water pollution control facility and 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, 2017. This was the twenty-fifth 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 fluid and cursive, with a large initial "J" and "W".

John A. Wilcox, CPA
Director of Finance

TOWN OF ENFIELD, CONNECTICUT

JUNE 30, 2018

LIST OF PRINCIPAL OFFICIALS

TOWN COUNCIL

Michael Ludwick, Mayor
Donna H. Szewczak, Deputy Mayor
Joseph C. Bosco
Robert Cressotti
Edward N. Deni
Thomas Arnone
Gina L. Cekala
Liz Davis
Joseph Muller
Peter Falk
Lori Unghire

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

Christopher W Bromson
Lauren Whitten
Erin Riggott
John Wilcox
Steven Bielenda
Paul Russell
Jason D. Neely
Donald Nunes
Dawn L. Homer-Bouthiette
Alaric Fox
Maria Elsdon

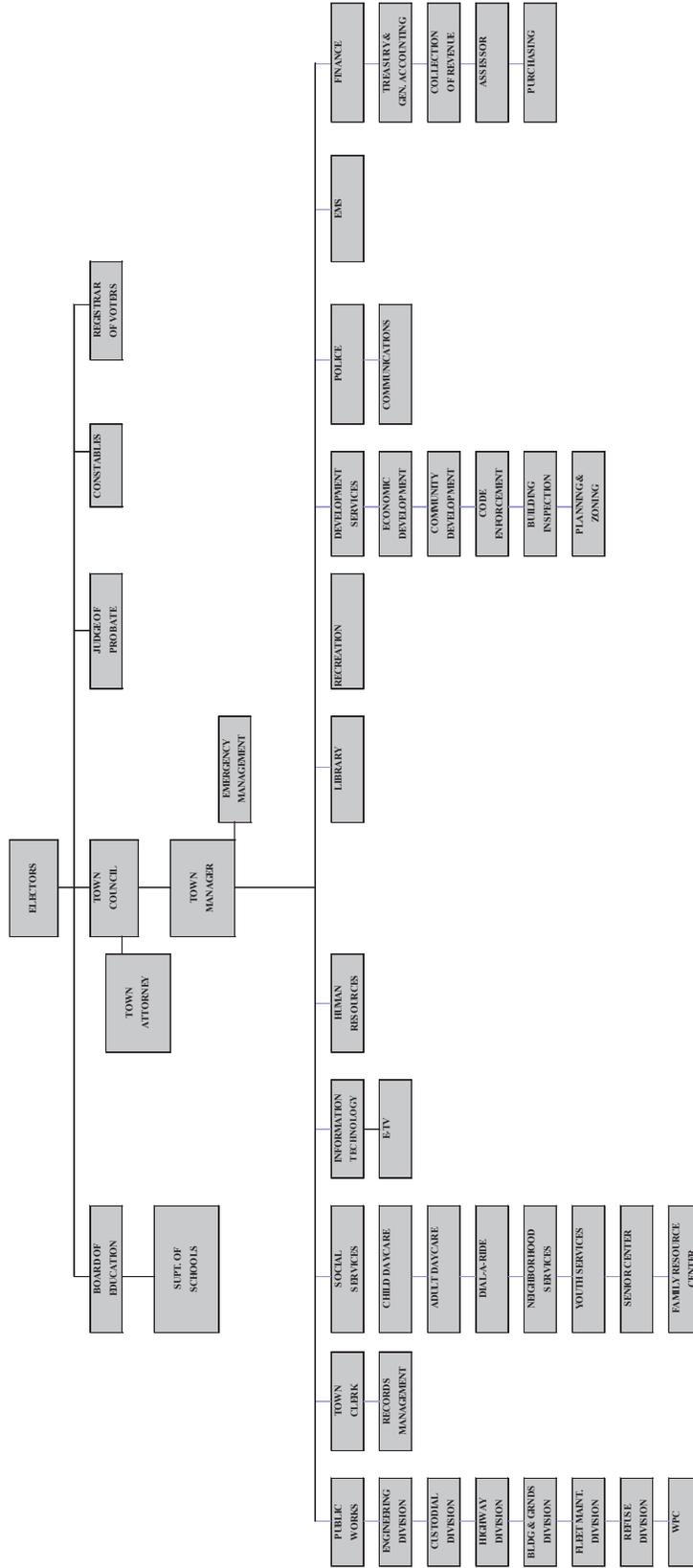
BOARD OF EDUCATION

Walter Kruzel, Chairman
Charlotte Riley, Vice Chairman
Tina LeBlanc, Secretary
Ashley Depeau
Rich Regnier
Sarah Hernandez
Timothy Neville
Scott Ryder
Chris Rutledge
Christopher Drezek, Superintendent of Schools

TOWN OF ENFIELD, CONNECTICUT

JUNE 30, 2018

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, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2018, 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 misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, budgetary comparison information on pages 51 and 58, and the pension and other post employment benefit information on pages 52 through 57 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, 2018, 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, 2018

**TOWN OF ENFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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, 2018. 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 \$1,242 or (.54%).
- During the year, the Town had expenses and transfers that were \$1,242 less than the \$168,402 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$156,637.
- The General Fund reported a fund balance this year of \$28,257 a decrease of \$1,576 or 5.3% 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. This is similar to the accounting methods used by most private sector companies. 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 6 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 7 and 10.
- **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 increased by \$1,242 from a year ago, changing from \$229,632 to \$230,874. 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	
	2018	2017
Current and other assets	78,146	70,379
Capital Assets	363,014	354,186
Total Assets	<u>441,160</u>	<u>424,565</u>
Deferred outflows of resources	<u>3,404</u>	<u>3,996</u>
Current liabilities	49,243	63,219
Noncurrent liabilities	149,688	127,019
Total liabilities	<u>198,931</u>	<u>190,238</u>
Deferred inflows of resources	<u>14,160</u>	<u>8,691</u>
Net investment in capital assets	247,042	221,812
Restricted	1,076	799
Unrestricted	<u>(16,782)</u>	<u>7,021</u>
Total Net Position	<u>231,336</u>	<u>229,632</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, decreased \$23,803 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 \$157,879, a decrease of \$10,522 over the prior year. The total cost of all programs and services was \$156,175, an increase of \$4,524 over the prior year. A more detailed discussion of fiscal year 2018 activity follows in the next sections.

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 12,893	\$ 14,131
Operating grants and contributions	49,726	54,596
Capital grants and contributions	1,777	5,403
General revenues:		
Property taxes	91,382	91,164
Grants and contributions not restricted to specific programs	1,725	2,115
Investment income	376	994
Total revenues	<u>157,879</u>	<u>168,403</u>
Expenses:		
General government	6,728	8,092
Public safety	10,611	5,171
Public works	24,899	26,279
Health and social services	8,940	9,504
Library	1,703	1,760
Planning and development	1,534	1,461
Education	92,058	90,546
Nondepartmental, Capital Outlay and Other	6,755	6,817
Interest on long-term debt	2,947	2,021
Total expenses	<u>156,175</u>	<u>151,651</u>
Change in Net Position	1,704	16,752
Beginning Net Position - Unadjusted	229,632	251,252
Prior Period Adjustment - GASB 75	<u>-</u>	<u>(38,372)</u>
Beginning Net Position - Adjusted	<u>229,632</u>	<u>212,880</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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General government	\$ 6,728	\$ 8,093	\$ (610)	\$ 1,052
Public safety	10,611	5,171	10,000	4,579
Public works	24,899	26,279	20,079	20,864
Education	92,058	90,546	46,647	36,348
Health and social services	8,940	9,504	2,733	2,631
All other	12,939	12,058	12,930	12,049
Total	<u>\$ 156,175</u>	<u>\$ 151,651</u>	<u>\$ 91,779</u>	<u>\$ 77,523</u>

The total cost of services increased \$4,524 or 2.98% from 2017 to 2018. There was no change in services provided by the Town. The primary cost drivers for the fiscal year were decreases in General Government and Public Works offset by increases in Board of Education and Public Safety spending.

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - page 6) reported a combined total fund balance of \$11,704 which is a \$15,814 increase from last year's total of (\$4,110). The fund balance in the general fund decreased \$1,576 from the prior year. Page 31 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 decreased by \$785 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 \$21,456, an increase of \$15,966 over the prior year. The increase is the result of \$15,374 in spending associated with the "Roads 2015" paving program, the High School Consolidation project and the Water Pollution Control project. During the year, the Town issued a \$30,000 bond package to fund these projects. Additionally, bond anticipation notes were issued during the year in the amount of \$36,000 to cover deficits in cash flows. The deficit will be covered in fiscal year 2018-2019 with the issuance of bonds.

The fund balance in the Capital Nonrecurring Fund increased \$396, to \$4,284. Spending in the Capital and Nonrecurring Fund in fiscal year 2018 was \$3,685 compared to \$3,030 in fiscal year 2017. The Town records purchase of equipment, capital grants and major maintenance projects in this fund.

The fund balances in the Nonmajor Governmental Funds is \$3,163, an increase of \$242 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 governing how the class can be used. The classifications are listed on the balance sheet according to the strength of the restriction, from most to least restrictive. Nonspendable fund balance represents \$3,349 of the total fund balance. Amounts classified in this category include inventory and the corpus of endowment funds, prepaid interest and \$2,492 that has been advanced to the Water Pollution Control Fund. Restricted fund balance is \$1,037 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 \$12,795 of the total fund balance and represents amounts committed by the Town Council for a particular purpose. It includes the amount of fund balance used the balance the fiscal year 2019 budget. 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. Assigned fund balance represents \$16 of the total fund balance. The unassigned fund balance, which is available for spending, is (\$5,493). 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 \$1,536 or 155.47%, to \$2,524. 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 \$715 for all tax collections. Tax collections are currently budgeted on a cash basis and included \$500 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 \$5,876. Most of the variances in intergovernmental revenue were caused by changes made by the state during the year to individual grant line items. For FY18, the State did not adopt their budget until the end of October. The adopted budget reduced funding from the State by \$1,343 from the prior year. In November, the State reduced its funding allocation to Enfield by an additional \$2,346. Most of these reductions were taken from the Education Cost Sharing grant.

Charges for services had a total positive variance of \$95. Budgets in this category are estimated based on historical averages and normally vary from year to year. Conveyance taxes and Rental of Town Owned Property contributed \$77 and \$66 to the positive variance which was offset by a \$47 negative variance in the Communication Center.

Licenses and permits and had a positive variance of \$94. \$90 of this variance was caused by positive variances in building and dump permits.

Interest earned had a positive variance of \$134. 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 so this line is budgeted conservatively.

Overall, the general fund had a total negative revenue variance of \$4,747.

Expenditure Variances

Budgetary expenditures had a total positive variance of \$2,963. The largest variances occurred in the following departments: Public Works \$892, Non-departmental charges \$868 and General Government \$607.

There were no additional appropriations made from fund balance in FY18.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2018, the Town had \$363,014 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 \$8,828 over the prior year.

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

	Governmental Activities	
	2018	2017
Land	\$ 12,402	\$ 12,255
Construction in progress	111,477	116,985
Buildings and improvements	56,821	58,867
Machinery and equipment	15,985	8,159
Vehicles	8,536	9,604
Infrastructure	157,712	148,316
Software	81	-
Total	\$ 363,014	\$ 354,186

This year’s major additions included:

- The continuation of a variety of road rehabilitation projects - “Roads 2010 and Roads 2015” in the amount of \$14,090
- Energy upgrades to various Town buildings in the amount of \$8,762.
- Acquisition of property at 33 North Main Street for use in a future train station.
- Purchase of vans for Nutrition Services and Buildings and Grounds - \$97.
- GIS Software - \$90.

Long-Term Debt

At June 30, 2018, the Town had \$80,350 in bonds outstanding compared to \$54,540 last year - an increase of 47.3% as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT**

	Governmental	
	Activities	
	2018	2017
General obligation bonds - Town	\$ 55,942	\$ 43,514
General obligation bonds - School improvements	24,408	11,026
Total	\$ 80,350	\$ 54,540

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 \$705,460 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 7 of the financial statements (page 27.)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2017-2018 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 2017-2018 budget due to the cap on motor vehicle mill rates imposed by the State of CT. The rates were 31.43 mills for real estate and business personal property and 28.80 mills for motor vehicles. The real estate and business personal property rate increased .57 mills over the prior year while the motor vehicle mill rate did not change. The mill rate for fiscal year 2018-2019 is 33.40 for real estate, business personal property and motor vehicles. General fund spending increased to \$134,114, an increase of 1.38% over the fiscal year 2018 budget. Total expenses for the Board of Education increased by \$1,601 and the Town increased by \$221. This increase was mainly due to reductions in funding from the State of Connecticut.

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

Unemployment (not seasonally adjusted) in the Town as of June 2018 was 4.2% versus 4.7% a year ago. The State's unemployment rate is 4.4% and the national rate is 4.0% 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, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 39,316,387
Investments	15,688,968
Accounts receivable, net	7,754,133
Taxes receivable, net	5,173,937
Interest receivable, net	5,707,245
Due from other governments, net	2,585,275
Due from agency fund	26,880
Prepaid items	1,812,839
Inventories	79,653
Non-depreciable capital assets	123,879,352
Capital assets, net	<u>239,134,912</u>
TOTAL ASSETS	<u>441,159,581</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	467,991
Deferred outflows related to pension	<u>2,935,590</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>3,403,581</u>
LIABILITIES	
Accounts payable	6,789,489
Accrued expenses	402,585
Accrued payroll	702,283
Accrued interest	1,781,422
Claims payable	1,178,729
Due to other governments	13,049
Unearned revenues	2,512,334
Bond anticipation note	36,000,000
Long-term liabilities:	
Due within one year	9,284,564
Due more than one year	<u>140,402,887</u>
TOTAL LIABILITIES	<u>199,067,342</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid property taxes	597,579
Deferred inflows related to pensions	4,472,785
Deferred inflows related to OPEB	<u>9,089,457</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>14,159,821</u>
NET POSITION	
Net investment in capital assets	247,042,406
Restricted:	
Grants	1,036,955
Trust principal	38,519
Unrestricted	<u>(16,781,881)</u>
TOTAL NET POSITION	<u>\$ 231,335,999</u>

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

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
General government	\$ 6,728,195	\$ 1,878,409	\$ 3,683,338	\$ 1,776,592	\$ 610,144
Public safety	10,610,716	488,183	122,573	-	(9,999,960)
Public works	24,899,332	4,288,502	532,138	-	(20,078,692)
Health and social services	8,939,753	4,314,084	1,892,586	-	(2,733,083)
Library	1,702,817	2,592	6,602	-	(1,693,623)
Planning and development	1,533,980	-	-	-	(1,533,980)
Intergovernmental and interagency	461,973	-	-	-	(461,973)
Education	92,057,390	1,921,049	43,488,849	-	(46,647,492)
Non-departmental	5,607,438	-	-	-	(5,607,438)
Capital outlay	686,216	-	-	-	(686,216)
Interest expense	2,947,257	-	-	-	(2,947,257)
Total governmental activities	<u>\$ 156,175,067</u>	<u>\$ 12,892,819</u>	<u>\$49,726,086</u>	<u>\$ 1,776,592</u>	<u>(91,779,570)</u>

General revenues:	
Property taxes	91,381,664
Fines	120,668
Licenses and permits	668,407
Interest	376,337
Gain on disposal of capital assets	-
Miscellaneous	936,364
Total general revenues	<u>93,483,440</u>
Change in net position	<u>1,703,870</u>
Net position - July 1 - original	229,632,129
Prior Period Adjustment	<u>-</u>
Net position - July 1 - revised	<u>229,632,129</u>
Net position - June 30	<u><u>\$ 231,335,999</u></u>

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

**TOWN OF ENFIELD, CONNECTICUT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Major				Non-Major		Total
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Governmental Funds	Other Funds	
ASSETS							
Cash	\$ 16,141,723	\$ 1,272,884	\$ 16,337,476	\$ 77,937	\$ 3,564,024	\$ -	\$ 37,394,044
Investments	11,743,961	-	-	2,766,396	-	-	14,510,357
Accounts receivable, net	2,708,931	1,370,820	-	211,878	1,483,480	-	5,775,109
Taxes receivable, net	5,173,937	-	-	-	-	-	5,173,937
Interest receivable, net	5,707,245	-	-	-	-	-	5,707,245
Due from other governments, net	611,485	-	457,671	1,188,767	327,352	-	2,585,275
Due from other funds	5,725,444	-	-	305,318	6,710	-	6,037,472
Prepaid items	738,777	-	-	-	-	-	738,777
Inventories	-	-	-	-	79,653	-	79,653
TOTAL ASSETS	\$ 48,551,503	\$ 2,643,704	\$ 16,795,147	\$ 4,550,296	\$ 5,461,219	\$ -	\$ 78,001,869
LIABILITIES							
Accounts payable	4,530,457	236,625	1,498,075	266,213	34,737	-	6,566,107
Accrued expenses	334,043	50,976	259	-	96	-	385,374
Accrued payroll	648,218	27,083	4,996	-	5,918	-	686,215
Accrued interest	-	-	675,000	-	-	-	675,000
Due to other governments	-	-	-	-	13,049	-	13,049
Unearned revenues	1,744,661	-	-	-	767,672	-	2,512,333
Bond anticipation note	-	-	36,000,000	-	-	-	36,000,000
Due to other funds	-	3,742,618	72,937	-	154	-	3,815,709
TOTAL LIABILITIES	7,257,379	4,057,302	38,251,267	266,213	821,626	-	50,653,787
DEFERRED INFLOW OF RESOURCES							
Deferred revenues - property taxes	10,274,742	-	-	-	-	-	10,274,742
Deferred revenues - sewer user fees	-	1,130,544	-	-	-	-	1,130,544
Deferred revenues - EMS	2,103,221	-	-	-	-	-	2,103,221
Deferred revenues - grants	61,574	-	-	-	-	-	61,574
Deferred revenues - loans	-	-	-	-	1,476,139	-	1,476,139
Prepaid property taxes	597,579	-	-	-	-	-	597,579
TOTAL DEFERRED INFLOW OF RESOURCES	13,037,116	1,130,544	-	-	1,476,139	-	15,643,799
FUND BALANCES							
Nonspendable	3,230,777	-	-	-	118,172	-	3,348,949
Restricted	154,547	-	-	-	882,408	-	1,036,955
Committed	6,348,402	-	-	4,284,083	2,162,874	-	12,795,359
Assigned	15,930	-	-	-	-	-	15,930
Unassigned	18,507,352	(2,544,142)	(21,456,120)	-	-	-	(5,492,910)
TOTAL FUND BALANCES	28,257,008	(2,544,142)	(21,456,120)	4,284,083	3,163,454	-	11,704,283
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,551,503	\$ 2,643,704	\$ 16,795,147	\$ 4,550,296	\$ 5,461,219	\$ -	\$ 78,001,869

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, 2018

Fund balances total governmental funds	\$ 11,704,283
Amounts reported for governmental activities in the statement of net position are different because:	
Internal services fund	2,523,766
Capital assets	363,014,264
Deferred charge on refunding	467,991
Deferred outflows related to pensions	2,935,590
Deferred revenues - property taxes	10,274,742
Deferred revenues - sewer user fees	1,130,544
Deferred revenues - EMS	2,103,221
Deferred revenues - grants	61,574
Deferred revenues - loans	1,476,139
Accrued interest	(1,106,422)
Long-term liabilities due within one year	(9,284,564)
Long-term liabilities due more than one year	(140,402,887)
Deferred inflows related to pensions	(4,472,785)
Deferred inflows related to OPEB	(9,089,457)
Net position of governmental activities	<u>\$ 231,335,999</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, 2018

	Major				Non-Major		Total
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Governmental Funds	Other Governmental Funds	
REVENUES							
Property taxes	\$91,067,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$91,067,256
Charges for services	6,639,383	4,515,550	-	80,585	1,736,368	-	12,971,886
Intergovernmental	45,304,436	-	457,671	1,640,828	4,123,303	-	51,526,238
Fines	18,219	-	-	-	102,448	-	120,667
Licenses and permits	668,407	-	-	-	-	-	668,407
Interest earned	348,037	-	-	17,014	4,654	-	369,705
Miscellaneous	869,300	-	-	1,895	65,167	-	936,362
TOTAL REVENUES	144,915,038	4,515,550	457,671	1,740,322	6,031,940	157,660,521	
EXPENDITURES							
Current:							
General government	6,020,526	-	-	-	121,759	-	6,142,285
Public safety	14,466,639	-	-	-	180,178	-	14,646,817
Public works	16,152,129	3,730,833	-	-	-	-	19,882,962
Health and social services	8,697,098	-	-	-	-	-	8,697,098
Library	1,653,852	-	-	-	2,025	-	1,655,877
Planning and development	1,529,178	-	-	-	-	-	1,529,178
Intergovernmental and interagency	461,973	-	-	-	-	-	461,973
Education	84,858,975	-	-	-	5,515,711	-	90,374,686
Non-departmental	5,297,890	-	-	-	-	-	5,297,890
Capital outlay	-	-	15,002,501	3,685,365	-	-	18,687,866
Debt service:							
Principal retirement	4,190,000	-	-	-	-	-	4,190,000
Interest expense	3,109,433	-	489,066	-	-	-	3,598,499
TOTAL EXPENDITURES	146,437,693	3,730,833	15,491,567	3,685,365	5,819,673	175,165,131	

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, 2018

	Major				Non-Major		Total
	General	Water Pollution Control	Bonded Projects	Capital Nonrecurring	Other Governmental Funds		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,522,655)	\$ 784,717	\$ (15,033,896)	\$ (1,945,043)	\$ 212,267	\$ (17,504,610)	
OTHER FINANCING SOURCES (USES)							
Issuance of bonds	-	-	30,000,000	-	-	30,000,000	
Issuance of bond premiums	1,891,688	-	-	-	-	1,891,688	
Issuance of capital leases	-	-	-	1,427,000	-	1,427,000	
Transfers in	-	-	1,000,000	1,414,464	30,180	2,444,644	
Transfers out	(1,944,644)	-	-	(500,000)	-	(2,444,644)	
TOTAL OTHER FINANCING SOURCES (USES)	(52,956)	-	31,000,000	2,341,464	30,180	33,318,688	
NET CHANGE IN FUND BALANCE	(1,575,611)	784,717	15,966,104	396,421	242,447	15,814,078	
FUND BALANCE - JULY 1 - ORIGINAL	29,832,619	(3,328,859)	(37,422,224)	3,887,662	2,921,007	(4,109,795)	
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	
FUND BALANCE - JULY 1 - REVISED	29,832,619	(3,328,859)	(37,422,224)	3,887,662	2,921,007	(4,109,795)	
FUND BALANCE - JUNE 30	\$28,257,008	\$ (2,544,142)	\$ (21,456,120)	\$ 4,284,083	\$ 3,163,454	\$ 11,704,283	

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, 2018**

Net change in fund balances - total governmental funds	\$ 15,814,078
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.	1,535,493
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.	18,001,650
This is the amount of depreciation expense.	(8,248,800)
This is the amount of gain/loss on disposal.	(924,560)
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 funds.	4,243,092
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.	(288,947)
Expenses for accrued compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(264,425)
Expenses for accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(305,995)
Proceeds from capital leases is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(1,427,000)
Payments of capital leases are expenditures in the governmental funds, but are a reduction of long-term liabilities in the statement of net position.	591,874
Proceeds from loans, bonds, and bond premiums is a revenue in the governmental funds, but the proceeds increase long-term liabilities in the statement of net position.	(31,891,688)
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.	4,562,362
Change in claims payable do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	86,952
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.	(6,999)
Change in deferred revenues do not require the use of current financial resources and therefore are not reported as revenues in governmental funds.	<u>211,783</u>
Change in net position of governmental activities.	<u>\$ 1,703,870</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, 2018

	<u>Internal Service Funds</u>
ASSETS	
Current assets:	
Cash	\$ 1,922,342
Investments	1,178,611
Accounts receivable (net)	1,979,023
Interfund receivables	140,816
Prepaid items	1,074,062
Total current assets	<u>6,294,854</u>
Noncurrent assets:	
Capital assets (net)	<u>-</u>
Total noncurrent assets	<u>-</u>
TOTAL ASSETS	<u>6,294,854</u>
LIABILITIES	
Current liabilities:	
Accounts payable	223,382
Accrued expenses	17,211
Accrued payroll	16,067
Claims payable	1,178,729
Interfund payables	2,335,699
Long-term liabilities:	
Due within one year	-
Due more than one year	-
TOTAL LIABILITIES	<u>3,771,088</u>
NET POSITION	
Net investment in capital assets	-
Restricted	-
Unrestricted	2,523,766
TOTAL NET POSITION	<u><u>\$ 2,523,766</u></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, 2018

	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for services	\$24,781,153
Total operating revenues	<u>24,781,153</u>
OPERATING EXPENSES	
Risk management claims	1,288,733
Health insurance claims	18,747,777
Technology services	3,215,782
Total operating expenses	<u>23,252,292</u>
OPERATING INCOME (LOSS)	<u>1,528,861</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest	6,632
Total non-operating revenues (expenses)	<u>6,632</u>
CHANGE IN NET POSITION	1,535,493
NET POSITION - JULY 1 (ORIGINAL)	988,273
PRIOR PERIOD ADJUSTMENT	<u>-</u>
NET POSITION - JULY 1 (RESTATE)	<u>988,273</u>
NET POSITION - JUNE 30	<u><u>\$ 2,523,766</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, 2018

	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from charges for services	\$ 22,305,545
Payments for claims, premiums, and fees	<u>(22,090,613)</u>
Net cash provided (used) by operating activities	<u>214,932</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	(6,633)
Interest	6,632
Net cash provided (used) by investing activities	<u>(1)</u>
NET INCREASE (DECREASE) IN CASH	214,931
CASH AND CASH EQUIVALENTS - JULY 1	<u>1,707,411</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 1,922,342</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	1,528,861
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Bad debt	-
Depreciation	-
Changes in assets and liabilities:	
Accounts receivable (net)	(1,888,827)
Interfund receivables	-
Prepaid items	(586,781)
Accounts payable	(99,225)
Accrued expenses	15,853
Accrued payroll	(2,409)
Claims payable	(61,142)
Interfund payables	1,308,602
	<u>\$ 214,932</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS	
Cash per Statement of Net Position:	
Cash	1,922,342
Investments	-
Restricted cash	-
Cash and cash equivalents	<u>\$ 1,922,342</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, 2018

	Pension and Other Employee Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ -	\$ 1,665,386
Investments		
U.S. Government securities	668,565	-
Corporate bonds	170,169	-
Common stock	3,046,699	-
Mutual funds	1,359,341	-
Deferred retirement option program	1,495,598	-
Insurance company-pooled separate accounts	108,134,067	-
Guaranteed deposits	20,278,558	-
Prudential real estate (NAV)	3,119,024	-
PGIM real estate (NAV)	3,754,335	-
Total investments	<u>142,026,356</u>	<u>-</u>
TOTAL ASSETS	<u>142,026,356</u>	<u>1,665,386</u>
 LIABILITIES		
Accounts payable		49,079
Due to specific individuals	-	1,589,427
Due to town	-	26,880
TOTAL LIABILITIES	<u>-</u>	<u>1,665,386</u>
 NET POSITION		
Restricted for Pension and Other Employee Benefits	<u>\$ 142,026,356</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, 2018

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions	
Employer contributions	\$ 4,204,426
Employee contributions	1,257,525
Total contributions	5,461,951
Investment earnings	
Interest and dividends	3,086,698
Net change in fair value of investments	6,720,987
Total investment earnings	9,807,685
Less investment expenses	
Investment management fees	293,587
Net investment earnings	9,514,098
Total additions	14,976,049
DEDUCTIONS	
Benefits paid	6,996,540
Administrative expenses	-
Total deductions	6,996,540
CHANGE IN NET POSITION	7,979,509
NET POSITION AT BEGINNING OF YEAR	134,046,847
NET POSITION AT END OF YEAR	\$ 142,026,356

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

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018

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 balance/net position, 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 fund balance and changes in fund balance (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, 2018

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.

3. Fiduciary Funds:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type. Because by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

E. FINANCIAL STATEMENTS ACCOUNTS

1. Cash and cash equivalent

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent.

2. 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.

3. Receivables:

All receivables are reported net of estimated uncollectible amounts.

4. 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 fair 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.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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
Software	5 years

5. 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) deferred charge on refunding and deferred outflows related to pensions. No deferred outflows of resources affect the governmental funds financial statements in the current year.

6. 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) prepaid property taxes, deferred inflows related to pensions, and deferred inflows related to OPEB. 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, sewer user fees, EMS, grants, and loans are reported in the governmental funds balance sheet.

7. Property Tax Calendar and Revenues:

Taxes were levied on July 1, 2017 based on assessed values at October 1, 2016. Property tax payments were due in two installments – July 1, 2017 and January 1, 2018. Tax liens are placed on real property within twelve months following tax commitment date.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. 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.

9. 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, by the state enabling legislation, by grantors, and by other contributors.
- Unrestricted – all other net position is reported in this category.

10. 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. There is no policy on minimum unassigned fund balance.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. 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.

12. 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

Nearly all of the cash balances of the Town's funds are pooled for greater efficiency and control. The individual funds' portions of the pool's cash are reported as cash. The total amount of the Town's cash consists of the following at June 30, 2018:

Cash	\$39,316,387
------	--------------

The total amount of the Town's deposits in financial institutions, per the bank statements, at June 30, 2018 was \$41,769,567, of which \$855,437 was covered by federal depository insurance. Deposits of \$40,330,981 were collateralized by a bank. The remaining \$583,149 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.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 - INVESTMENTS (CONTINUED)

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.

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 June 30, 2018:

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	\$ 7,526,210	\$ 7,526,210	\$ -	\$ -
Corporate bonds	170,169	170,169	-	-
Common stock	3,908,110	3,908,110	-	-
Mutual funds	9,329,253	9,329,253	-	-
Deferred retirement option program	1,495,598	1,495,598	-	-
Insurance company-pooled separate account	108,134,067	100,917,051	7,217,016	-
Guaranteed deposits	20,278,558	-	-	20,278,558
Prudential real estate (NAV)	3,119,024	N/A	N/A	N/A
PGIM real estate (NAV)	3,754,335	N/A	N/A	N/A
Total	<u>\$ 157,715,324</u>	<u>\$ 123,346,391</u>	<u>\$ 7,217,016</u>	<u>\$ 20,278,558</u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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	U.S. Government Securities	Corporate Bonds
AAA	\$ 538,665	\$ -
AA+	5,853,392	-
AA	301,257	-
AA-	50,102	-
A+	-	-
A	594,695	28,367
A-	-	85,694
BBB+	-	26,744
BBB	-	29,364
Unrated	188,099	-
	\$ 7,526,210	\$ 170,169

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, 2018

NOTE 4 - ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The allowance for uncollectible accounts at June 30, 2018 is estimated to be:

	Accounts Receivable	Taxes Receivable	Interest Receivable	Due From Other Governments
General Fund	\$ -	\$ 1,209,021	\$ -	\$ -
Water Pollution Control	72,119	-	-	-
Bonded Projects	-	-	-	-
Capital Nonrecurring	-	-	-	-
Other Governmental Funds	-	-	-	-
Governmental Activities	<u>\$ 72,119</u>	<u>\$ 1,209,021</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets:

GOVERNMENTAL ACTIVITIES

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Capital assets (non-depreciable):				
Land	\$ 12,255,000	\$ 146,760	\$ -	\$ 12,401,760
Construction in progress	116,985,298	17,343,455	(22,851,161)	111,477,592
Total capital assets (non-depreciable)	<u>\$ 129,240,298</u>	<u>\$ 17,490,215</u>	<u>\$ (22,851,161)</u>	<u>\$ 123,879,352</u>
Capital assets				
Buildings & Improvements	94,796,000	-	-	94,796,000
Machinery and equipment	18,189,080	9,085,495	(18,287)	27,256,288
Vehicles	17,293,994	97,647	(1,524,705)	15,866,936
Infrastructure	224,637,554	14,089,556	(2,932,915)	235,794,195
Software	-	89,898	-	89,898
Total other capital assets at historical cost	<u>354,916,628</u>	<u>23,362,596</u>	<u>(4,475,907)</u>	<u>373,803,317</u>
Less accumulated depreciation				
Buildings & Improvements	(35,929,136)	(2,045,901)	-	(37,975,037)
Machinery and equipment	(10,030,202)	(1,245,360)	4,135	(11,271,427)
Vehicles	(7,690,058)	(893,036)	1,252,191	(7,330,903)
Infrastructure	(76,321,556)	(4,055,513)	2,295,021	(78,082,048)
Software	-	(8,990)	-	(8,990)
Total accumulated depreciation	<u>(129,970,952)</u>	<u>(8,248,800)</u>	<u>3,551,347</u>	<u>(134,668,405)</u>
Capital assets, net	<u>\$ 224,945,676</u>	<u>\$ 15,113,796</u>	<u>\$ (924,560)</u>	<u>\$ 239,134,912</u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation was charged to governmental functions as follows:

General Government	\$ 636,838
Public Safety	603,491
Public Works	5,031,370
Health and social services	242,655
Library	46,940
Planning and development	4,802
Education	1,682,704
	<u>\$ 8,248,800</u>

The following assets are used as collateral:

Capital assets (non-depreciable)	\$ -
Capital assets	\$13,767,456

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, 2018, is as follows:

Type	Purpose	Rate	Due Date	Balance 07/01/17	Issued	Retired	Balance at 06/30/18
BAN	High School	2.00%	8/9/2017	\$ 25,000,000	\$ -	\$ 25,000,000	\$ -
BAN	Roads 2014 WPC plant	2.00%	8/9/2017	20,000,000	-	20,000,000	-
BAN	upgrade Middle	2.00%	8/9/2017	2,000,000	-	2,000,000	-
BAN	School	2.25%	8/8/2018	-	36,000,000	-	36,000,000
				<u>\$ 47,000,000</u>	<u>\$ 36,000,000</u>	<u>\$ 47,000,000</u>	<u>\$ 36,000,000</u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018 is as follows:

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18	Current Portion
Governmental Activities:					
Bonds and notes payable:					
\$10,395,000 refunding general obligation bond	\$ 2,580,000	\$ -	\$ (1,870,000)	\$ 710,000	\$ 710,000
\$25,000,000 general obligation bond	23,680,000	-	(1,320,000)	22,360,000	1,320,000
\$10,770,000 refunding general obligation bond	9,280,000	-	-	9,280,000	305,000
\$10,000,000 general obligation bond	9,500,000	-	(500,000)	9,000,000	500,000
\$10,000,000 general obligation bond	9,500,000	-	(500,000)	9,000,000	500,000
\$30,000,000 general obligation bond	-	30,000,000	-	30,000,000	1,520,000
Bond premiums	3,415,000	1,891,688	(372,362)	4,934,326	380,244
Total bonds and notes payable	<u>57,955,000</u>	<u>31,891,688</u>	<u>(4,562,362)</u>	<u>85,284,326</u>	<u>5,235,244</u>
Other liabilities:					
Compensated absences	6,899,008	2,990,951	(2,726,526)	7,163,433	2,700,000
Land fill closure cost	165,000	-	(15,000)	150,000	15,000
Claims payable	482,226	-	(86,952)	395,274	-
Capital leases	10,042,424	1,427,000	(591,874)	10,877,550	1,334,320
Net pension liability	14,056,060	-	(2,212,795)	11,843,265	-
Net OPEB liability	42,774,113	-	(8,800,510)	33,973,603	-
Total other liabilities	<u>74,418,831</u>	<u>4,417,951</u>	<u>(14,433,657)</u>	<u>64,403,125</u>	<u>4,049,320</u>
Governmental activities long-term liabilities	<u>\$ 132,373,831</u>	<u>\$ 36,309,639</u>	<u>\$ (18,996,019)</u>	<u>\$ 149,687,451</u>	<u>\$ 9,284,564</u>

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

	Principal	Interest	Total Debt Service
2019	\$ 4,855,000	\$ 2,881,113	\$ 7,736,113
2020	4,835,000	2,690,713	7,525,713
2021	4,815,000	2,514,913	7,329,913
2022	4,820,000	2,298,913	7,118,913
2023	4,825,000	2,076,063	6,901,063
2024-2028	24,195,000	7,277,420	31,472,420
2029-2033	19,175,000	3,595,764	22,770,764
2034-2038	12,830,000	759,375	13,589,375
	<u>\$ 80,350,000</u>	<u>\$ 24,094,274</u>	<u>\$ 104,444,274</u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of outstanding long-term debt at June 30, 2018:

\$10,395,000 Refunding General Obligation 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%.	\$ 710,000
\$25,000,000 General Obligation 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%.	22,360,000
\$10,770,000 Refunding General Obligation 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 General Obligation 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%.	9,000,000
\$10,000,000 General Obligation 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%.	9,000,000
\$30,000,000 General Obligation Bond Payable - Collateralized bond with a local bank, Maturity in August 2037, with various annual principal plus interest. Interest charged at 2.0 - 5.0%.	30,000,000
Total long-term debt	<u>30,000,000</u> <u>\$ 80,350,000</u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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>Principal</u>
2019	\$ 1,605,008
2020	1,552,924
2021	944,971
2022	871,563
2023	777,538
Thereafter	<u>6,977,662</u>
 Total Minimum Lease Payments	 12,729,666
 Less Amount Representing Interest	 <u>(1,852,116)</u>
 Present Value of Future Minimum Lease Payments	 <u><u>\$ 10,877,550</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 07/01/17	Additions	Deletions	Balance 06/30/18
Machinery and equipment	\$ 2,364,296	\$ 8,761,605	\$ -	\$ 11,125,901
Vehicles	-	-	-	-
Infrastructure	549,888	-	-	549,888
Total capital assets	<u>2,914,184</u>	<u>8,761,605</u>	<u>-</u>	<u>11,675,789</u>
Accumulated depreciation	<u>(1,762,839)</u>	<u>(352,255)</u>	<u>-</u>	<u>(2,115,094)</u>
Capital assets, net	<u><u>\$ 1,151,345</u></u>	<u><u>\$ 8,409,350</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,560,695</u></u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2018, consisted of the following individual fund receivables and payables:

		Due From:							
		General	Water Pollution	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Internal Service	Agency	Total
Due To:	General	\$ -	\$ -	\$ -	\$ 305,318	\$ 6,710	\$ -	\$ -	\$ 312,028
	Water Pollution	3,742,618	-	-	-	-	-	-	3,742,618
	Bonded Projects	72,937	-	-	-	-	-	-	72,937
	Capital Nonrecurring	-	-	-	-	-	-	-	-
	Other Governmental Funds	154	-	-	-	-	-	-	154
	Internal Service	2,194,883	-	-	-	-	-	-	2,194,883
	Agency	26,880	-	-	-	-	-	-	26,880
	Total	\$ 6,037,472	\$ -	\$ -	\$ 305,318	\$ 6,710	\$ -	\$ -	\$ 6,349,500

Interfund balances represent amounts for pooled cash.

Interfund transfers at June 30, 2018 consisted of the following:

		Transfers In:					
		General	Water Pollution	Bonded Projects	Capital Nonrecurring	Other Governmental Funds	Total
Transfers Out	General	\$ -	\$ -	\$ 500,000	\$ 1,414,464	\$ 30,180	\$ 1,944,644
	Water Pollution	-	-	-	-	-	-
	Bonded Projects	-	-	-	-	-	-
	Capital Nonrecurring	-	-	500,000	-	-	500,000
	Other Governmental Funds	-	-	-	-	-	-
	Total	\$ -	\$ -	\$ 1,000,000	\$ 1,414,464	\$ 30,180	\$ 2,444,644

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, 2018

NOTE 10 - FUND BALANCE COMPONENTS

At June 30, 2018, the components of fund balances consisted of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund:				
Prepaid items	\$ 738,777	\$ -	\$ -	\$ -
Advance to water pollution fund	2,492,000	-	-	-
Social Services	-	-	429,571	2,429
General government grants	-	154,547	-	-
School miscellaneous	-	-	3,284,019	-
Revaluation	-	-	107,748	-
Emergency fuel bank	-	-	5,441	-
Elderly relief	-	-	98,200	-
Recreation	-	-	27	-
Police outside services	-	-	323,396	-
Subsequent year's budget	-	-	2,100,000	-
General government - encumbrances	-	-	-	13,501
Public safety - encumbrances	-	-	-	-
Public works - encumbrances	-	-	-	-
Library - encumbrances	-	-	-	-
Education - encumbrances	-	-	-	-
Capital Nonrecurring:				
Capital improvements	-	-	4,284,083	-
Other Governmental Funds:				
Inventory	79,653	-	-	-
Permanent fund principal	38,519	-	-	-
Grants	-	882,408	-	-
Dog fund	-	-	1,551	-
Open space acquisition	-	-	634,522	-
Community development	-	-	587,198	-
Public library	-	-	284,692	-
Town memorial	-	-	118,864	-
Scholarship	-	-	277,345	-
Macioek post ambulance	-	-	232,890	-
Library trust	-	-	25,812	-
Total	<u>\$ 3,348,949</u>	<u>\$ 1,036,955</u>	<u>\$12,795,359</u>	<u>\$ 15,930</u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - EMPLOYEE BENEFIT PLANS

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, 2018

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

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

	Town Pension Plan	Police Pension Plan
Retirees and beneficiaries currently receiving benefits	288	67
Terminated plan members entitled to benefits but not yet receiving them and inactive with vested benefits	229	27
Active plan members	488	84
	1,005	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, 2018

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Investment Policy

The Town Pension and Police Pension Plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town Pension 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, 2018:

Guaranteed Deposit Account	\$20,278,558
Rate of Return	

For the year ended June 30, 2018, 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 7.2% and 7.1%, 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, 2018 were \$1,495,598.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 were as follows:

	Town Pension Plan	Police Pension Plan
Total pension liability	\$79,090,098	\$69,472,064
Plan fiduciary net position	\$73,781,394	\$62,937,503
Net Pension Liability	\$5,308,704	\$6,534,561
Plan fiduciary net position as a percentage of the total pension liability	93.29%	90.59%

Actuarial Assumptions

The total pension liability for the Employee's and Police Pension Plans were determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% for Town Plan, 2.50% for Police Plan
Salary increases	4.25% for the first 5 years, then 3% thereafter
Investment rate of return	6.85%, 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 (adjusted to 2006) Blue Collar Mortality with Scale MP-2017 for Males and Females, as appropriate.

Police Pension Plan - Mortality rates were based on the RP-2014 (adjusted to 2006) Blue Collar Mortality with Scale MP-2017 for Males and Females, as appropriate.

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, 2018

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, 2018 (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%	7.75%
Small Cap Equity	7%	8.50%
International Equity	13%	7.25%
Fixed Income	10%	4.85%
Long Duration Bond	8%	5.60%
Real Estate	5%	6.85%
Stable Value	27%	4.45%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.85% for both the Town'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 Town and Police Pension Plans, calculated using the discount rate of 6.85%, 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 (5.85%) or 1 percentage point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Town Plan Net Pension (Asset) Liability	\$14,753,917	\$5,308,704	(\$2,657,580)
Police Plan Net Pension (Asset) Liability	\$13,800,519	\$6,534,561	(\$2,365,834)

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2017	\$ 74,862,330	\$ 69,371,842	\$ 5,490,488
Changes for the year:			
Service cost	2,079,255	-	2,079,255
Interest on total pension liability	5,124,195	-	5,124,195
Differences between expected and actual experience including assumption changes	400,513	-	400,513
Employer contributions	-	2,191,764	(2,191,764)
Member contributions	-	749,307	(749,307)
Net investment income	-	4,947,481	(4,947,481)
Benefit payments, including refund to employee contributions	(3,376,195)	(3,376,195)	-
Administrative expenses	-	(102,805)	102,805
Net changes	4,227,768	4,409,552	(181,784)
Balances as of June 30, 2018	\$ 79,090,098	\$ 73,781,394	\$ 5,308,704

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2017	\$ 68,524,324	\$ 59,958,752	\$ 8,565,572
Changes for the year:	-	-	-
Service cost	1,162,982	-	1,162,982
Interest on total pension liability	4,677,876	-	4,677,876
Differences between expected and actual experience including assumption changes	(1,730,150)	-	(1,730,150)
Employer contributions	-	1,812,662	(1,812,662)
Member contributions	-	508,218	(508,218)
Net investment income	-	4,202,001	(4,202,001)
Changes in benefit terms	290,484	-	290,484
Benefit payments, including refund to employee contributions	(3,453,452)	(3,453,452)	-
Administrative expenses	-	(90,678)	90,678
Net changes	947,740	2,978,751	(2,031,011)
Balances as of June 30, 2018	\$ 69,472,064	\$ 62,937,503	\$ 6,534,561

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

For the year ended June 30, 2018, the Town recognized pension expense of \$1,946,453 and \$(2,739,978) for the Town Pension Plan and Police Pension Plan, respectively. At June 30, 2018, 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
\$2,061,083	\$493,854	\$-	\$-	\$2,554,937

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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
(\$-)	(\$-)	(\$2,977,401)	(\$-)	(\$2,977,401)
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
\$-	\$380,653	\$-	\$-	\$380,653
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
(\$656,069)	(\$-)	(\$839,315)	(\$-)	(\$1,495,384)

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

Town Pension Plan:	2019	2020	2021	2022	2023
Deferred Outflows and (Inflows)	\$224,947	\$(593,060)	\$(402,571)	\$340,084	\$8,136
Police Pension Plan:					
Deferred Outflows and (Inflows)	2019	2020	2021	2022	2023
Deferred Outflows and (Inflows)	\$(263,176)	\$(959,409)	\$(735,367)	\$664,059	\$179,162

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

Combining Statement of Fiduciary Net Position:

	Town Pension Trust	Police Pension Trust	OPEB Trust	Total
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments				
U.S. Government securities	-	-	668,565	668,565
Corporate bonds	-	-	170,169	170,169
Common stock	-	-	3,046,699	3,046,699
Mutual funds	-	-	1,359,341	1,359,341
Deferred retirement option program	-	1,495,598	-	1,495,598
Insurance company-pooled separate accounts	60,013,188	48,120,879	-	108,134,067
Guaranteed deposits	10,071,948	10,206,610	-	20,278,558
Prudential real estate (NAV)	1,706,727	1,412,297	-	3,119,024
PGIM real estate (NAV)	2,023,306	1,731,029	-	3,754,335
Total investments	<u>73,815,169</u>	<u>62,966,413</u>	<u>5,244,774</u>	<u>142,026,356</u>
TOTAL ASSETS	<u>73,815,169</u>	<u>62,966,413</u>	<u>5,244,774</u>	<u>142,026,356</u>
LIABILITIES				
Accounts payable	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for Pension and Other Employee Benefits	<u>\$ 73,815,169</u>	<u>\$ 62,966,413</u>	<u>\$ 5,244,774</u>	<u>\$ 142,026,356</u>

Combining Statement of Changes in Fiduciary Net Position:

	Town Pension Trust	Police Pension Trust	OPEB Trust	Total
ADDITIONS				
Contributions				
Employer contributions	\$ 2,191,764	\$ 1,812,662	\$ 200,000	\$ 4,204,426
Employee contributions	749,307	508,218	-	1,257,525
Total contributions	<u>2,941,071</u>	<u>2,320,880</u>	<u>200,000</u>	<u>5,461,951</u>
Investment earnings				
Interest and dividends	1,617,989	1,362,007	106,702	3,086,698
Net change in fair value of investments	3,354,343	3,026,501	340,143	6,720,987
Total investment earnings	<u>4,972,332</u>	<u>4,388,508</u>	<u>446,845</u>	<u>9,807,685</u>
Less investment expenses				
Investment management fees	122,159	107,237	64,191	293,587
Net investment earnings	<u>4,850,173</u>	<u>4,281,271</u>	<u>382,654</u>	<u>9,514,098</u>
Total additions	<u>7,791,244</u>	<u>6,602,151</u>	<u>582,654</u>	<u>14,976,049</u>
DEDUCTIONS				
Benefits paid	3,376,195	3,620,345	-	6,996,540
Administrative expenses	-	-	-	-
Total deductions	<u>3,376,195</u>	<u>3,620,345</u>	<u>-</u>	<u>6,996,540</u>
CHANGE IN NET POSITION	<u>4,415,049</u>	<u>2,981,806</u>	<u>582,654</u>	<u>7,979,509</u>
NET POSITION AT BEGINNING OF YEAR	<u>69,400,120</u>	<u>59,984,607</u>	<u>4,662,120</u>	<u>134,046,847</u>
NET POSITION AT END OF YEAR	<u>\$ 73,815,169</u>	<u>\$ 62,966,413</u>	<u>\$ 5,244,774</u>	<u>\$ 142,026,356</u>

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

The Teachers Retirement Board administers the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board.

Plan Description

The Connecticut State Teachers' Retirement System covers all teachers, principals, superintendents or supervisors engaged in service of public schools.

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, 2018

NOTE 11 - EMPLOYEE BENEFIT PLANS (CONTINUED)

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. Effective January 1, 2018, the required contribution will increase to 7%.

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

At June 30, 2018, 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, 2018, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2018, the Town recognized pension expense and revenue of \$14,686,548 for on-behalf amounts for the benefits provided by the State.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018

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, 2018

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS PLAN

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, 2017, plan membership consisted of the following:

Retired members and spouses of retired members	261
Active plan members	908
Total	1,169

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 Liability

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, 2018

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS PLAN (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 service for Teachers and Administrators and 3.00% for all others
Medical Trend Rate	4.60% - 5.36% over 82 years
Cost method	Entry age normal
Amortization method	Level percent, closed

Mortality rates for Teachers and Administrators were based on the RP-2000 Mortality Table projected forward 19 years using Scale AA, with a two-year age setback.

Mortality rates for All Others were based on the RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA, with separate tables for males and females.

No actuarial experience study has been performed.

Net OPEB

The net OPEB liability at June 30, 2018 was as follows:

Total OPEB liability	\$39,218,377
Plan fiduciary net position	\$5,244,774
Net OPEB Liability	\$33,973,603

Plan fiduciary net position as a percentage of 13.37%
the total OPEB liability

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	\$27,980,456	\$33,973,603	\$41,631,038

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87% (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, 2018 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	8%	0.52%
US Core Bonds	9%	2.50%
US Gvt Bonds	11%	1.83%
US Municipal Bonds	2%	2.35%
US High Yield Bonds	1%	5.61%
Non-US Bonds	1%	1.01%
US Large Caps	59%	4.57%
US Small Caps	1%	5.81%
US Mid Caps	1%	5.10%
US Large Growth	1%	5.27%
US Large Value	2%	4.45%
Foreign Developed Equity	1%	5.79%
Emerging Markets Equity	1%	8.12%
US REITs	1%	5.07%
Hedge Funds – MultiStrategy	1%	3.55%
	100%	

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS PLAN (CONTINUED)

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	\$40,468,808	\$33,973,603	\$28,737,180

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, 2017	\$ 47,436,233	\$ 4,662,120	\$ 42,774,113
Changes for the year:	-	-	-
Service cost	1,519,612	-	1,519,612
Interest on total OPEB liability	1,728,808	-	1,728,808
Effect of economic/demographic gains or losses	(8,585,020)	-	(8,585,020)
Effect of assumptions changes or inputs	(1,539,233)	-	(1,539,233)
Employer contributions	-	1,542,023	(1,542,023)
Employee contributions	-	-	-
Net investment income	-	382,654	(382,654)
Benefit payments	(1,342,023)	(1,342,023)	-
Administrative expenses	-	-	-
Net changes	(8,217,856)	582,654	(8,800,510)
Balances as of June 30, 2018	\$ 39,218,377	\$ 5,244,774	\$ 33,973,603
OPEB Expense			

For the year ended June 30, 2018, the Town recognized OPEB expense of \$1,830,970 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.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 - POST EMPLOYMENT HEALTHCARE BENEFITS PLAN (CONTINUED)

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.

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, 2018.

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.

TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 - RISK MANAGEMENT (CONTINUED)

Changes in the claims liability for the past two years are as follows:

	<u>2018</u>	<u>2017</u>
Claims payable, July 1	\$ 1,239,871	\$ 1,483,163
Claims incurred and changes in estimates	15,400,208	16,689,947
Claim payments	<u>(15,461,350)</u>	<u>(16,933,239)</u>
Claims payable, June 30	<u>\$ 1,178,729</u>	<u>\$ 1,239,871</u>

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, 2018 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 - MANAGEMENT REVIEW

Management has reviewed subsequent events as of December 28, 2018, 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, 2018

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 90,352,300	\$ 90,352,300	\$ 91,067,256	\$ 714,956
Charges for services	1,432,708	1,432,708	1,527,758	95,050
Intergovernmental	36,498,478	34,554,243	28,711,915	(5,842,328)
Fines	30,200	30,200	18,219	(11,981)
Licenses and permits	574,300	574,300	668,407	94,107
Interest earned	110,000	110,000	244,111	134,111
Miscellaneous	378,455	378,455	447,750	69,295
TOTAL REVENUES	129,376,441	127,432,206	122,685,416	(4,746,790)
EXPENDITURES				
Current:				
General government	6,331,305	6,154,187	5,547,095	607,092
Public safety	14,841,727	14,419,054	14,115,292	303,762
Public works	17,237,905	17,043,921	16,152,129	891,792
Health and social services	-	-	-	-
Library	1,718,948	1,689,651	1,653,852	35,799
Planning and development	1,615,722	1,635,350	1,529,178	106,172
Intergovernmental and interagency	471,301	471,301	461,973	9,328
Education	69,689,185	69,887,448	69,785,697	101,751
Non-departmental	6,062,096	5,938,159	5,097,890	840,269
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	4,690,000	4,690,000	4,690,000	-
Interest expense	3,898,718	3,298,718	3,109,433	189,285
TOTAL EXPENDITURES	126,556,907	125,227,789	122,142,539	3,085,250
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,819,534	2,204,417	542,877	(1,661,540)
OTHER FINANCING SOURCES (USES)				
Prior year fund balance utilization	2,424,096	2,646,174	-	(2,646,174)
Bond proceeds	-	-	-	-
Bond premiums	-	-	1,891,688	1,891,688
Proceeds from capital leases	-	-	-	-
Proceeds from loans	-	-	-	-
Transfers in	490,517	490,517	-	(490,517)
Transfers out	(5,734,147)	(5,341,108)	(4,947,163)	393,945
TOTAL OTHER FINANCING SOURCES (USES)	(2,819,534)	(2,204,417)	(3,055,475)	(851,058)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ (2,512,598)	\$ (2,512,598)

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, 2018

TOWN PENSION PLAN

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 2,079,255	\$ 2,168,119	\$ 2,073,000	\$ 2,064,000	\$ 1,971,000
Interest	5,124,195	4,826,512	4,513,000	4,457,000	4,227,000
Difference between expected and actual experience including assumption changes	400,513	340,198	842,000	(627,000)	-
Benefit payments, including refunds of member contributions	(3,376,195)	(3,157,499)	(2,886,000)	(2,827,000)	(2,797,000)
Net change in total pension liability	<u>4,227,768</u>	<u>4,177,330</u>	<u>4,542,000</u>	<u>3,067,000</u>	<u>3,401,000</u>
Total pension liability - beginning	74,862,330	70,685,000	66,143,000	63,076,000	59,675,000
Total pension liability - ending	<u>79,090,098</u>	<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	2,191,764	2,084,038	2,099,000	2,128,000	2,239,000
Contributions - employee	749,307	710,743	784,000	778,000	711,000
Net investment income	4,947,481	6,580,244	1,377,000	2,660,000	7,808,000
Benefit payments, including refunds of member contributions	(3,376,195)	(3,157,499)	(2,886,000)	(2,827,000)	(2,797,000)
Administrative expense	(102,805)	(99,684)	(93,000)	(96,000)	(77,000)
Net change in plan fiduciary net position	<u>4,409,552</u>	<u>6,117,842</u>	<u>1,281,000</u>	<u>2,643,000</u>	<u>7,884,000</u>
Plan fiduciary net position - beginning	69,371,842	63,254,000	61,973,000	59,330,000	51,446,000
Plan fiduciary net position - ending	<u>73,781,394</u>	<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>\$ 5,308,704</u>	<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	93.3%	92.7%	89.5%	93.7%	94.1%
Covered payroll	\$ 21,611,504	\$ 21,718,142	\$ 21,969,000	\$ 21,017,000	\$ 20,611,000
Net pension liability as a percentage of covered payroll	24.6%	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, 2018

POLICE PENSION PLAN

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 1,162,982	\$ 1,163,450	\$ 1,020,000	\$ 962,000	\$ 921,000
Interest	4,677,876	4,480,854	3,952,000	3,910,000	3,758,000
Difference between expected and actual experience including assumption changes	(1,730,150)	53,999	5,328,000	(187,000)	-
Changes in benefit terms	290,484	-	-	-	-
Benefit payments, including refunds of member contributions	(3,453,452)	(2,757,979)	(2,694,000)	(2,113,000)	(2,170,000)
Net change in total pension liability	947,740	2,940,324	7,606,000	2,572,000	2,509,000
Total pension liability - beginning	68,524,324	65,584,000	57,978,000	55,406,000	52,897,000
Total pension liability - ending	69,472,064	68,524,324	65,584,000	57,978,000	55,406,000
Plan fiduciary net position:					
Contributions - employer	1,812,662	1,913,881	1,966,000	1,428,000	1,378,000
Contributions - employee	508,218	467,057	476,000	545,000	443,000
Net investment income	4,202,001	5,842,838	970,000	2,368,000	6,735,000
Benefit payments, including refunds of member contributions	(3,453,452)	(2,757,979)	(2,694,000)	(2,113,000)	(2,170,000)
Administrative expense	(90,678)	(92,045)	(76,000)	(86,000)	(78,000)
Net change in plan fiduciary net position	2,978,751	5,373,752	642,000	2,142,000	6,308,000
Plan fiduciary net position - beginning	59,958,752	54,585,000	53,943,000	51,801,000	45,493,000
Plan fiduciary net position - ending	62,937,503	59,958,752	54,585,000	53,943,000	51,801,000
Net Pension Liability - Ending	\$ 6,534,561	\$ 8,565,572	\$ 10,999,000	\$ 4,035,000	\$ 3,605,000
Plan fiduciary net position as a percentage of the total pension liability	90.6%	87.5%	83.2%	93.0%	93.5%
Covered payroll	\$ 6,518,211	\$ 6,472,133	\$ 6,293,000	\$ 6,263,000	\$ 5,918,000
Net pension liability as a percentage of covered payroll	100.3%	132.3%	174.8%	64.4%	60.9%

* - 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, 2018

TOWN PENSION PLAN

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,191,764	\$ 2,084,038	\$ 2,099,000	\$ 2,128,000	\$ 2,239,000
Contributions in relation to the actuarially determined contribution	<u>(2,191,764)</u>	<u>(2,084,038)</u>	<u>(2,099,000)</u>	<u>(2,128,000)</u>	<u>(2,239,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 21,611,504	\$ 21,718,142	\$ 21,969,000	\$ 21,017,000	\$ 20,611,000
Contributions as a percentage of covered payroll	10.1%	9.6%	9.6%	10.1%	10.9%

	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,083,000	\$ 1,699,000	\$ 1,678,000	\$ 1,388,000	\$ 1,171,000
Contributions in relation to the actuarially determined contribution	<u>(2,083,000)</u>	<u>(1,699,000)</u>	<u>(1,678,000)</u>	<u>(1,397,000)</u>	<u>(1,171,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,000)</u>	<u>\$ -</u>
Covered payroll	\$ 20,851,000	\$ 20,851,000	\$ 19,894,000	\$ 19,496,000	\$ 19,921,000
Contributions as a percentage of covered payroll	10.0%	8.1%	8.4%	7.1%	5.9%

POLICE PENSION PLAN

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,812,662	\$ 1,913,881	\$ 1,966,000	\$ 1,427,000	\$ 1,378,000
Contributions in relation to the actuarially determined contribution	<u>(1,812,662)</u>	<u>(1,913,881)</u>	<u>(1,966,000)</u>	<u>(1,427,000)</u>	<u>(1,378,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 6,518,211	\$ 6,472,133	\$ 6,293,000	\$ 6,263,000	\$ 5,918,000
Contributions as a percentage of covered payroll	27.8%	29.6%	31.2%	22.8%	23.3%

	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,239,000	\$ 1,216,000	\$ 1,218,000	\$ 1,075,000	\$ 785,000
Contributions in relation to the actuarially determined contribution	<u>(1,239,000)</u>	<u>(1,216,000)</u>	<u>(1,218,000)</u>	<u>(1,082,000)</u>	<u>(785,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,000)</u>	<u>\$ -</u>
Covered payroll	\$ 6,381,000	\$ 6,381,000	\$ 6,636,000	\$ 6,226,000	\$ 5,920,000
Contributions as a percentage of covered payroll	19.4%	19.1%	18.4%	17.3%	13.3%

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, 2018

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense					
Town Pension Plan	7.20%	10.40%	2.20%	4.50%	15.20%
Police Pension Plan	7.10%	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, 2018

TEACHERS' PENSION PLAN	2018	2017	2016	2015
Proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
Proportionate share of net pension liability	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 36,216,986	\$ 34,905,602	\$ 34,801,000	\$ 37,326,000
Proportionate share of the net pension liability as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	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, 2018

	<u>2018</u>	<u>2017</u>
Total OPEB Liability:		
Service cost	\$ 1,519,612	\$ 2,145,002
Interest on total OPEB liability	1,728,808	1,495,837
Effect of economic/demographic (gains) or losses	(8,585,020)	
Effect of assumption changes or inputs	(1,539,233)	(5,884,633)
Benefit payments	(1,342,023)	(1,311,791)
Net change in total OPEB liability	<u>(8,217,856)</u>	<u>(3,555,585)</u>
Total OPEB liability, beginning	47,436,233	50,991,818
Total OPEB liability, ending	<u>\$ 39,218,377</u>	<u>\$ 47,436,233</u>
Fiduciary Net Position:		
Employer contributions	1,542,023	1,311,791
Employee contributions	-	-
Net investment income	382,654	386,908
Benefit payments	(1,342,023)	(1,311,791)
Net change in plan fiduciary net position	<u>582,654</u>	<u>386,908</u>
Fiduciary net position, beginning	4,662,120	4,275,212
Fiduciary net position, ending	<u>\$ 5,244,774</u>	<u>\$ 4,662,120</u>
Net OPEB liability, ending	\$ 33,973,603	\$ 42,774,113
Fiduciary net position as a % of total OPEB liability	13.37%	9.83%
Covered payroll	\$ 74,684,458	\$ 74,684,458
Net OPEB liability as a % of covered payroll	45.49%	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, 2018

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	\$122,685,416
---	---------------

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.	14,686,548
---	------------

Funds consolidated with general fund per GASB 54 requirement	<u>7,543,074</u>
--	------------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$144,915,038</u>
--	----------------------

Expenditures:

Actual amounts (budgetary basis) from the budgetary comparison schedule	\$122,142,539
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Differences - budget to GAAP:

Bond anticipation principal payment that are not refinanced are budgeted as expenditures, but are not expenditures under GAAP.	(500,000)
--	-----------

OPEB employer contributions are budgeted as transfers out, but are expenditures under GAAP.	200,000
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On-behalf payments paid by Connecticut for employer contributions for Connecticut Teachers' Retirement System are not budgeted as expenditures, but are expenditures under GAAP.	14,686,548
--	------------

Funds consolidated with general fund per GASB 54 requirement	<u>9,908,606</u>
--	------------------

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$146,437,693</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, 2018**

	Open Space Acquisition	Community Development	Town Memorial	Drug Enforcement	Dog	Macioek Post Ambulance
ASSETS						
Cash	\$ 634,522	\$ 599,273	\$ 127,478	\$ 120,898	\$ 25,929	\$ 232,890
Investments	-	-	-	-	-	-
Accounts receivable, net	-	1,476,139	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-
Interest receivable, net	-	-	-	-	-	-
Due from other governments, net	-	-	-	32,646	-	-
Due from other funds	-	-	580	-	-	-
Prepaid items	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
TOTAL ASSETS	\$ 634,522	\$ 2,075,412	\$ 128,058	\$ 153,544	\$ 25,929	\$ 232,890
LIABILITIES						
Accounts payable	-	12,075	9,194	-	10,468	-
Accrued expenses	-	-	-	35	61	-
Accrued payroll	-	-	-	2,941	800	-
Accrued interest	-	-	-	-	-	-
Due to other governments	-	-	-	-	13,049	-
Unearned revenues	-	-	-	-	-	-
Bond anticipation note	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	12,075	9,194	2,976	24,378	-
DEFERRED INFLOW OF RESOURCES						
Deferred revenues - property taxes	-	-	-	-	-	-
Deferred revenues - sewer user fees	-	-	-	-	-	-
Deferred revenues - EMS	-	-	-	-	-	-
Deferred revenues - grants	-	-	-	-	-	-
Deferred revenues - loans	-	1,476,139	-	-	-	-
Prepaid property taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	1,476,139	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	150,568	-	-
Committed	634,522	587,198	118,864	-	1,551	232,890
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	634,522	587,198	118,864	150,568	1,551	232,890
TOTAL LIABILITIES AND FUND BALANCES	\$ 634,522	\$ 2,075,412	\$ 128,058	\$ 153,544	\$ 25,929	\$ 232,890

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
 COMBINING BALANCE SHEET – OTHER GOVERNMENTAL FUNDS
 JUNE 30, 2018

	Public Library	Cafeteria	Educational Grants	Library Trust	Scholarship	Total
ASSETS						
Cash	\$ 278,562	\$ 537,368	\$ 665,274	\$ 64,485	\$ 277,345	\$ 3,564,024
Investments	-	-	-	-	-	-
Accounts receivable, net	-	7,341	-	-	-	1,483,480
Taxes receivable, net	-	-	-	-	-	-
Interest receivable, net	-	-	-	-	-	-
Due from other governments, net	-	222,450	72,256	-	-	327,352
Due from other funds	6,130	-	-	-	-	6,710
Prepaid items	-	-	-	-	-	-
Inventories	-	79,653	-	-	-	79,653
TOTAL ASSETS	\$ 284,692	\$ 846,812	\$ 737,530	\$ 64,485	\$ 277,345	\$ 5,461,219
LIABILITIES						
Accounts payable	-	-	3,000	-	-	34,737
Accrued expenses	-	-	-	-	-	96
Accrued payroll	-	1,877	300	-	-	5,918
Accrued interest	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	13,049
Unearned revenues	-	33,442	734,230	-	-	767,672
Bond anticipation note	-	-	-	-	-	-
Due to other funds	-	-	-	154	-	154
TOTAL LIABILITIES	-	\$ 35,319	\$ 737,530	\$ 154	-	\$ 821,626
DEFERRED INFLOW OF RESOURCES						
Deferred revenues - property taxes	-	-	-	-	-	-
Deferred revenues - sewer user fees	-	-	-	-	-	-
Deferred revenues - EMS	-	-	-	-	-	-
Deferred revenues - grants	-	-	-	-	-	-
Deferred revenues - loans	-	-	-	-	-	1,476,139
Prepaid property taxes	-	-	-	-	-	-
TOTAL DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	\$ 1,476,139
FUND BALANCES						
Nonspendable	-	79,653	-	38,519	-	118,172
Restricted	-	731,840	-	-	-	882,408
Committed	284,692	-	-	25,812	277,345	2,162,874
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	284,692	\$ 811,493	-	\$ 64,331	\$ 277,345	\$ 3,163,454
TOTAL LIABILITIES AND FUND BALANCES	\$ 284,692	\$ 846,812	\$ 737,530	\$ 64,485	\$ 277,345	\$ 5,461,219

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, 2018

	Open Space Acquisition	Community Development	Town Memorial	Drug Enforcement	Dog	Macioek Post Ambulance
REVENUES						
Property taxes	-	\$ -	-	\$ -	-	\$ -
Charges for services	-	76,419	-	-	15,994	-
Intergovernmental	-	-	-	122,574	-	-
Fines	-	102,448	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Interest earned	-	-	-	-	-	1,253
Miscellaneous	-	-	61,781	-	57	-
TOTAL REVENUES	-	178,867	61,781	122,574	16,051	1,253
EXPENDITURES						
Current:						
General government	-	69,799	51,960	-	-	-
Public safety	-	-	-	143,589	36,589	-
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	-	69,799	51,960	143,589	36,589	-

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, 2018

	Public Library	Cafeteria	Educational Grants	Library Trust	Scholarship	Total
REVENUES						
Property taxes	\$ -	\$ -	-	\$ -	\$ -	-
Charges for services	2,592	1,641,363	-	-	-	1,736,368
Intergovernmental	6,602	-	3,994,127	-	-	4,123,303
Fines	-	-	-	-	-	102,448
Licenses and permits	-	-	-	-	-	-
Interest earned	34	-	-	855	2,512	4,654
Miscellaneous	3,329	-	-	-	-	65,167
TOTAL REVENUES	12,557	1,641,363	3,994,127	855	2,512	6,031,940
EXPENDITURES						
Current:						
General government	-	-	-	-	-	121,759
Public safety	-	-	-	-	-	180,178
Public works	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-
Library	2,025	-	-	-	-	2,025
Planning and development	-	-	-	-	-	-
Intergovernmental and interagency	-	-	-	-	-	-
Education	-	1,519,072	3,994,127	-	2,512	5,515,711
Non-departmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
TOTAL EXPENDITURES	2,025	1,519,072	3,994,127	-	2,512	5,819,673

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, 2018

	Open Space Acquisition	Community Development	Town Memorial	Drug Enforcement	Dog	Macioek Post Ambulance
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ 109,068	\$ 9,821	\$ (21,015)	\$ (20,538)	\$ 1,253
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	-	-	-	-	-	-
Bond premiums	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	-	30,180	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	30,180	-
NET CHANGE IN FUND BALANCE	-	109,068	9,821	(21,015)	9,642	1,253
FUND BALANCE - JULY 1 - ORIGINAL	634,522	478,130	109,043	171,583	(8,091)	231,637
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
FUND BALANCE - JULY 1 - REVISED	634,522	478,130	109,043	171,583	(8,091)	231,637
FUND BALANCE - JUNE 30	\$ 634,522	\$ 587,198	\$ 118,864	\$ 150,568	\$ 1,551	\$ 232,890

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, 2018

	Public Library	Cafeteria	Educational Grants	Library Trust	Scholarship	Total
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 10,532	\$ 122,291	\$ -	\$ 855	\$ -	\$ 212,267
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	-	-	-	-	-	-
Bond premiums	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	-	-	30,180
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	30,180
NET CHANGE IN FUND BALANCE	10,532	122,291	-	855	-	242,447
FUND BALANCE - JULY 1 - ORIGINAL	274,160	689,202	-	63,476	277,345	2,921,007
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-
FUND BALANCE - JULY 1 - REVISED	274,160	689,202	-	63,476	277,345	2,921,007
FUND BALANCE - JUNE 30	\$ 284,692	\$ 811,493	\$ -	\$ 64,331	\$ 277,345	\$ 3,163,454

See accompanying independent auditors' report.

Internal Service Funds

TOWN OF ENFIELD, CONNECTICUT
 COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
 JUNE 30, 2018

	Commercial Liability	Health Insurance	Information Technology	Total
ASSETS				
Current assets:				
Cash	\$ 134,403	\$ 1,601,386	\$ 186,553	\$ 1,922,342
Investments	1,178,611	-	-	1,178,611
Accounts receivable (net)	-	1,940,023	39,000	1,979,023
Interfund receivables	-	140,816	-	140,816
Prepaid items	1,074,062	-	-	1,074,062
Total current assets	<u>2,387,076</u>	<u>3,682,225</u>	<u>225,553</u>	<u>6,294,854</u>
Noncurrent assets:				
Capital assets (net)	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>2,387,076</u>	<u>3,682,225</u>	<u>225,553</u>	<u>6,294,854</u>
LIABILITIES				
Current liabilities:				
Accounts payable	34,373	68,506	120,503	223,382
Accrued expenses	16,058	-	1,153	17,211
Accrued payroll	-	-	16,067	16,067
Claims payable	-	1,178,729	-	1,178,729
Interfund payables	856,269	1,479,430	-	2,335,699
Long-term liabilities:				
Due within one year	-	-	-	-
Due more than one year	-	-	-	-
TOTAL LIABILITIES	<u>906,700</u>	<u>2,726,665</u>	<u>137,723</u>	<u>3,771,088</u>
NET POSITION				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	1,480,376	955,560	87,830	2,523,766
TOTAL NET POSITION	<u>\$ 1,480,376</u>	<u>\$ 955,560</u>	<u>\$ 87,830</u>	<u>\$ 2,523,766</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, 2018

	Commerical Liability	Health Insurance	Information Technology	Total
OPERATING REVENUES				
Charges for services	\$ 1,305,593	\$ 20,177,427	\$ 3,298,133	\$24,781,153
Total operating revenues	<u>1,305,593</u>	<u>20,177,427</u>	<u>3,298,133</u>	<u>24,781,153</u>
OPERATING EXPENSES				
Risk management claims	1,288,733	-	-	1,288,733
Health insurance claims	-	18,747,777	-	18,747,777
Technology services	-	-	3,215,782	3,215,782
Total operating expenses	<u>1,288,733</u>	<u>18,747,777</u>	<u>3,215,782</u>	<u>23,252,292</u>
OPERATING INCOME (LOSS)	<u>16,860</u>	<u>1,429,650</u>	<u>82,351</u>	<u>1,528,861</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest	6,632	-	-	6,632
Total non-operating revenues (expenses)	<u>6,632</u>	<u>-</u>	<u>-</u>	<u>6,632</u>
INCREASE (DECREASE) IN NET POSITION	23,492	1,429,650	82,351	1,535,493
NET POSITION - JULY 1 (ORIGINAL)	1,456,884	(474,090)	5,479	988,273
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - JULY 1 (RESTATEd)	<u>1,456,884</u>	<u>(474,090)</u>	<u>5,479</u>	<u>988,273</u>
NET POSITION - JUNE 30	<u>\$ 1,480,376</u>	<u>\$ 955,560</u>	<u>\$ 87,830</u>	<u>\$ 2,523,766</u>

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Commercial Liability	Health Insurance	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from charges for services	\$ 718,812	\$18,237,404	\$ 3,349,329	\$ 22,305,545
Payments for claims, premiums, and fees	(661,256)	(18,113,602)	(3,315,755)	(22,090,613)
Net cash provided (used) by operating activities	<u>57,556</u>	<u>123,802</u>	<u>33,574</u>	<u>214,932</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>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(6,633)	-	-	(6,633)
Interest	6,632	-	-	6,632
Net cash provided (used) by investing activities	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
NET INCREASE (DECREASE) IN CASH	57,555	123,802	33,574	214,931
CASH AND CASH EQUIVALENTS - JULY 1	<u>76,848</u>	<u>1,477,584</u>	<u>152,979</u>	<u>1,707,411</u>
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ 134,403</u>	<u>\$ 1,601,386</u>	<u>\$ 186,553</u>	<u>\$ 1,922,342</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	16,860	1,429,650	82,351	1,528,861
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Bad debt	-	-	-	-
Depreciation	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable (net)	-	(1,940,023)	51,196	(1,888,827)
Interfund receivables	-	-	-	-
Prepaid expenses	(586,781)	-	-	(586,781)
Accounts payable	40,150	(42,016)	(97,359)	(99,225)
Accrued expenses	16,058	-	(205)	15,853
Accrued payroll	-	-	(2,409)	(2,409)
Claims payable	-	(61,142)	-	(61,142)
Interfund payables	571,269	737,333	-	1,308,602
	<u>\$ 57,556</u>	<u>\$ 123,802</u>	<u>\$ 33,574</u>	<u>\$ 214,932</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS				
Cash per Statement of Net Position:				
Cash	134,403	1,601,386	186,553	1,922,342
Investments	-	-	-	-
Restricted cash	-	-	-	-
Cash and cash equivalents	<u>\$ 134,403</u>	<u>\$ 1,601,386</u>	<u>\$ 186,553</u>	<u>\$ 1,922,342</u>

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, 2018

	Pension Trust	OPEB Trust	Total
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments			
U.S. Government securities	-	668,565	668,565
Corporate bonds	-	170,169	170,169
Common stock	-	3,046,699	3,046,699
Mutual funds	-	1,359,341	1,359,341
Deferred retirement option program	1,495,598	-	1,495,598
Insurance company-pooled separate accounts	108,134,067	-	108,134,067
Guaranteed deposits	20,278,558	-	20,278,558
Prudential real estate (NAV)	3,119,024	-	3,119,024
PGIM real estate (NAV)	3,754,335	-	3,754,335
Total investments	<u>136,781,582</u>	<u>5,244,774</u>	<u>142,026,356</u>
TOTAL ASSETS	<u>136,781,582</u>	<u>5,244,774</u>	<u>142,026,356</u>
LIABILITIES			
Accounts payable	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for Pension and Other Employee Benefits	<u>\$ 136,781,582</u>	<u>\$ 5,244,774</u>	<u>\$ 142,026,356</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, 2018

	<u>Pension Trust</u>	<u>OPEB Trust</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer contributions	\$ 4,004,426	\$ 200,000	\$ 4,204,426
Employee contributions	1,257,525	-	1,257,525
Total contributions	<u>5,261,951</u>	<u>200,000</u>	<u>5,461,951</u>
Investment earnings			
Interest and dividends	2,979,996	106,702	3,086,698
Net change in fair value of investments	6,380,844	340,143	6,720,987
Total investment earnings	<u>9,360,840</u>	<u>446,845</u>	<u>9,807,685</u>
Less investment expenses			
Investment management fees	229,396	64,191	293,587
Net investment earnings	<u>9,131,444</u>	<u>382,654</u>	<u>9,514,098</u>
Total additions	<u>14,393,395</u>	<u>582,654</u>	<u>14,976,049</u>
DEDUCTIONS			
Benefits paid	6,996,540	-	6,996,540
Administrative expenses	-	-	-
Total deductions	<u>6,996,540</u>	<u>-</u>	<u>6,996,540</u>
CHANGE IN NET POSITION	7,396,855	582,654	7,979,509
NET POSITION AT BEGINNING OF YEAR	<u>129,384,727</u>	<u>4,662,120</u>	<u>134,046,847</u>
NET POSITION AT END OF YEAR	<u>\$ 136,781,582</u>	<u>\$ 5,244,774</u>	<u>\$ 142,026,356</u>

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS
 JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
ASSETS				
Cash				
Student activity funds	\$ 612,135	\$ 149,253	\$ (77,372)	\$ 684,016
Employee insurance - board of education	21,514	78,800	(74,950)	25,364
Performance bonds	942,893	41,629	(74,479)	910,043
Cultural arts commission	37,405	11,039	(2,481)	45,963
Smyth Bus Contract	100,000	-	(100,000)	-
Total cash	<u>1,713,947</u>	<u>280,721</u>	<u>(329,282)</u>	<u>1,665,386</u>
TOTAL ASSETS	<u>\$ 1,713,947</u>	<u>\$ 280,721</u>	<u>\$ (329,282)</u>	<u>\$ 1,665,386</u>
LIABILITIES				
Accounts payable				
Student activity funds	27,124	21,955	-	49,079
Total accounts payable	<u>27,124</u>	<u>21,955</u>	<u>-</u>	<u>49,079</u>
Due to specific individuals				
Student activity funds	585,011	127,298	(77,372)	634,937
Employee insurance - board of education	21,514	78,800	(74,950)	25,364
Performance bonds	894,945	41,629	(53,411)	883,163
Cultural arts commission	37,405	11,039	(2,481)	45,963
Smyth Bus Contract	100,000	-	(100,000)	-
Total due to specific individuals	<u>1,638,875</u>	<u>258,766</u>	<u>(308,214)</u>	<u>1,589,427</u>
Due to town				
Performance bonds	47,948	-	(21,068)	26,880
Total due to town	<u>47,948</u>	<u>-</u>	<u>(21,068)</u>	<u>26,880</u>
TOTAL LIABILITIES	<u>\$ 1,713,947</u>	<u>\$ 280,721</u>	<u>\$ (329,282)</u>	<u>\$ 1,665,386</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, 2018

Grand List Year	Lawful Corrections			Collections				Uncollected Taxes 6/30/2018	
	Uncollected Taxes 7/1/2017	Additions	Deductions	Transfers to Suspense	Adjusted Amount Collectible	Taxes	Suspense Collections		Interest and Lien Fees
Town Taxes:									
2016	89,471,766	86,493	351,409	-	89,206,850	87,371,691	-	316,344	87,688,035
2015	1,600,042	3,546	29,821	-	1,573,767	889,433	-	180,658	1,070,091
2014	629,839	998	9,120	-	621,717	234,739	-	91,152	325,891
2013	439,427	-	14,602	-	424,825	123,020	-	62,276	185,296
2012	323,500	-	493	-	323,007	31,929	-	22,913	54,842
2011	231,381	-	-	-	231,381	7,904	-	4,441	12,345
2010	190,970	-	88	-	190,882	4,048	-	5,994	10,042
2009	219,047	1	-	-	219,048	5,792	-	9,920	15,712
2008	197,810	-	-	-	197,810	3,138	-	4,694	7,832
2007	241,245	-	-	-	241,245	848	-	1,431	2,279
2006	218,317	172	172	-	218,317	1,161	-	2,925	4,086
2005	322,012	274	274	-	322,012	576	-	1,134	1,710
2004	362,721	359	-	-	363,080	796	-	1,005	1,801
2003	232,934	-	-	-	232,934	379	-	576	955
2002	33,642	273	-	-	33,915	-	-	-	-
2001 & Prior	13,696	-	13,696	-	-	-	-	-	-
Town Tax Total	94,728,349	92,116	419,675	-	94,400,790	88,675,454	-	705,463	89,380,917
Fire Taxes:									
2016	11,523,212	15,846	187,814	-	11,351,244	11,184,584	-	39,584	11,224,168
2015	159,737	409	4,155	-	155,991	81,857	-	19,090	100,947
2014	89,311	119	1,627	-	87,803	31,134	-	12,179	43,313
2013	60,112	-	1,587	-	58,525	12,794	-	7,644	20,438
2012	42,123	-	53	-	42,070	1,833	-	2,089	3,922
2011	34,225	1	-	-	34,226	584	-	631	1,215
2010	28,642	-	9	-	28,633	987	-	1,148	2,135
2009	26,508	-	-	-	26,508	143	-	450	593
2008	25,350	-	-	-	25,350	363	-	545	908
2007	30,197	-	-	-	30,197	78	-	145	223
2006	26,613	32	32	-	26,613	105	-	221	326
2005	40,791	54	54	-	40,791	59	-	124	183
2004	35,192	70	-	-	35,262	117	-	106	223
2003	24,960	-	-	-	24,960	34	-	80	114
2002	4,100	20	-	-	4,120	-	-	-	-
2001 & Prior	1,610	-	1,610	-	-	-	-	-	-
Fire Tax Total	12,152,683	16,551	196,941	-	11,972,293	11,314,672	-	84,036	11,398,708
Total	106,881,032	108,667	616,616	-	106,373,083	99,990,126	-	789,499	100,779,625

See accompanying independent auditors' report.

TOWN OF ENFIELD, CONNECTICUT
 SCHEDULE OF DEBT LIMITATION
 JUNE 30, 2018

Base:
 Receipts from taxation \$ 100,779,625

Category	Debt Limitation	Net Indebtedness	Excess Debt Limitation
General Purpose (2.25 times base)	\$ 226,754,156	\$ 76,480,000	\$ 150,274,156
Schools (4.5 times base)	453,508,313	24,408,000	429,100,313
Sewers (3.75 times base)	377,923,594	26,000,000	351,923,594
Urban renewal (3.25 times base)	327,533,781	-	327,533,781
Pension deficit (3 times base)	302,338,875	-	302,338,875

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.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help readers understand how the financial performance and well-being have changed over time.	73-76
Revenue Capacity These schedules contain information to help readers assess the most significant local revenue source.	77-80
Debt Capacity These schedules present information to help readers assess the affordability of the current levels of outstanding debt and the ability to issue additional debt in the future.	81-84
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)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
Net investment in capital assets	\$ 174,618	\$ 186,149	\$ 189,683	\$ 191,750	\$ 189,574	\$ 192,678	\$ 221,663	\$ 267,221	\$ 221,812	\$ 247,042
Restricted	65	1,905	6,057	1,983	1,852	1,782	1,758	1,701	799	1,075
Unrestricted	41,210	27,376	24,273	26,465	29,354	21,239	18,082	(17,670)	7,021	(16,782)
Total Governmental Activities	\$ 215,893	\$ 215,430	\$ 220,013	\$ 220,198	\$ 220,780	\$ 215,699	\$ 241,503	\$ 251,252	\$ 229,632	\$ 231,335

TABLE 2

TOWN OF ENFIELD, CONNECTICUT

CHANGES IN NET POSITION

Last Ten Fiscal Years

(In Thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
General government	\$ 5,251	\$ 6,054	\$ 6,246	\$ 12,111	\$ 7,304	\$ 9,552	\$ 9,040	\$ 17,781	\$ 8,092	\$ 6,728
Public safety	11,041	11,843	12,244	12,612	13,134	16,121	15,315	32,366	5,170	10,611
Recreation	478	30	30	30	29					
Public works	20,017	24,585	22,456	25,465	25,388	25,829	26,430	26,780	26,279	24,899
Health and social services	8,176	8,193	8,481	8,761	8,837	9,157	9,600	9,967	9,504	8,940
Library	1,720	1,766	1,790	1,773	1,789	1,809	1,858	1,740	1,760	1,703
Planning and development	857	1,152	1,073	1,165	1,326	1,234	1,518	1,471	1,461	1,534
Intergovernment and interagency	373									462
Education	88,234	81,373	82,836	83,469	84,160	86,343	83,736	86,113	90,546	92,057
Non-departmental, Capital Outlay & Other									6,817	6,294
Interest on long-term debt	1,269	1,337	1,107	1,116	875	922	2,683	3,002	2,021	2,947
Total Governmental activities	137,416	136,333	136,263	146,502	142,842	150,967	150,180	179,220	151,650	156,175
Program revenues:										
Governmental activities:										
Changes for services:										
General government	979	1,499	1,410	2,000	1,801	4,035	3,134	3,093	2,209	1,878
Public safety	149	660	944	634	459	451	603	672	450	488
Recreation	376	193	225	141	192	141				
Public works	1,060	1,108	1,381	1,077	2,255	2,268	5,058	4,945	4,878	4,289
Health and social services	4,260	3,995	3,943	4,477	3,788	4,070	4,219	4,353	4,653	4,314
Library	21	21	24	24	17	18	16	16	4	3
Planning and development	59	59	33	28	41					
Education	3,683	3,583	2,626	1,529	1,757	3,798	1,094	1,099	1,936	1,921
Operating grants and contributions	40,399	42,158	45,292	46,569	45,565	48,368	46,447	50,443	54,595	49,726
Capital grants and contributions	1,500	2,668	5,003	8,829	4,622	3,986	28,935	32,435	5,402	1,777
Total governmental activities	52,486	55,944	60,881	65,308	60,497	66,994	89,506	97,056	74,127	64,396
Net (expenses) Revenue										
Governmental Activities	(84,930)	(80,389)	(75,382)	(81,194)	(82,345)	(83,973)	(60,674)	(82,164)	(77,523)	(91,779)
General (Revenues and Other Changes in Net position):										
Governmental activities:										
Property taxes	76,668	75,936	76,638	77,384	79,475	84,360	84,230	89,493	91,165	91,382
Grants and contributions not restricted to specific programs	4,661	3,399	3,091	3,538	3,333	1,708	2,065	2,092	2,114	1,725
Unrestricted investment earnings	828	591	236	457	119	189	183	328	994	376
Miscellaneous	82,157	79,926	79,965	81,379	82,927	86,257	86,478	91,913	94,273	93,483
Total governmental activities	\$ (2,773)	\$ (463)	\$ 4,583	\$ 185	\$ 582	\$ 2,284	\$ 25,804	\$ 9,749	\$ 16,750	\$ 1,704

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Nonspendable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	3,908	4,237								
Unreserved	15,234	14,027								
Total General Fund	\$ 19,142	\$ 18,264	\$ 18,384	\$ 18,085	\$ 19,427	\$ 23,465	\$ 25,802	\$ 26,590	\$ 29,833	\$ 28,257
All Other Governmental Funds:										
Nonspendable	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted										
Committed										
Assigned										
Unassigned										
Reserved	2,715	3,215								
Unreserved, reported in:										
Special Revenue Funds	(485)	(2,392)								
Capital Projects Funds	9,790	7,004								
Permanent Funds	26	25								
Total All Other Governmental Funds	\$ 12,046	\$ 7,852	\$ 6,158	\$ (2,502)	\$ (1,943)	\$ (7,632)	\$ (3,829)	\$ (9,440)	\$ (33,943)	\$ (16,553)

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Property Taxes	\$ 77,302	\$ 75,870	\$ 75,675	\$ 76,401	\$ 79,821	\$ 84,438	\$ 84,505	\$ 86,634	\$ 89,712	\$ 91,067
Intergovernmental	45,817	46,510	51,949	54,327	58,667	54,709	77,828	82,168	62,907	51,526
Charges for Services	10,849	11,010	10,586	9,914	10,144	13,931	12,876	13,501	13,435	12,972
Contributions	176	104	733	243	117	253	275	274		
Investment Income	828	421	197	440	87	189	182	321	2,119	370
Other Revenues	218	109	110	2	6	10	45	202	2,115	1,725
Total Revenues	135,190	134,024	139,250	141,327	148,842	153,530	175,711	183,100	170,288	157,660
Expenditures:										
General government	4,763	5,102	5,680	10,510	6,909	6,684	7,097	6,506	6,825	6,142
Public safety	10,171	11,041	11,846	11,874	12,225	12,974	13,715	13,661	13,330	14,647
Recreation	449									
Public works	13,239	20,406	18,247	18,636	18,949	19,605	21,326	21,174	21,529	19,883
Health and social services	7,997	7,606	7,931	8,343	8,353	8,557	8,917	9,573	9,278	8,697
Library	1,578	1,554	1,614	1,603	1,593	1,630	1,724	1,673	1,711	1,656
Planning and development	857	1,152	1,073	1,165	1,326	1,204	1,418	1,388	1,452	1,529
Intergovernmental and interagency	373	384	403	413	448	435	442	464	478	462
Education	83,057	75,928	78,693	78,875	79,292	82,902	79,340	82,198	88,891	90,375
Nondepartmental	4,482	8,018	4,987	5,742	4,995	5,453	6,225	6,355	5,791	5,298
Capital Outlay	7,851	4,964	8,057	14,243	12,684	13,001	50,908	60,319	44,479	18,688
Debt service:										
Principal	3,850	4,130	2,400	2,860	2,093	1,947	3,336	4,436	3,970	4,190
Interest	1,568	1,345	1,177	1,092	875	1,572	1,572	1,572	3,980	3,598
Total expenditures	140,235	141,630	142,108	155,356	149,742	155,964	196,020	209,319	201,714	175,165
Excess of revenues over (under) expenditures	(5,045)	(7,606)	(2,858)	(14,029)	(900)	(2,434)	(20,309)	(26,219)	(31,426)	(17,505)
Other financing sources (uses)										
Issuance of bonds	10,395									30,000
Capital Lease Issuance	437	1,072	1,287	4,285	2,707	783	25,000	20,000	9,426	1,427
Issuance of refunding bonds		10,395						10,770		
Payments to escrow agents		(12,627)						(11,867)		
Issuance of bond refunding premiums		1,009						1,222		
Issuance of bond premiums					94		1,449	1,271	739	1,892
Transfers in	11,649	11,671	5,264	4,734	4,447	4,705	2,469	4,142	3,367	2,445
Transfers out	(11,349)	(8,986)	(5,264)	(3,949)	(4,447)	(4,705)	(2,469)	(4,142)	(3,367)	(2,445)
Total other financing sources	11,132	2,534	1,287	5,070	2,801	783	26,449	21,396	10,165	33,319
Net Change in Fund Balances	\$ 6,087	\$ (5,072)	\$ (1,571)	\$ (8,959)	\$ 1,901	\$ (1,651)	\$ 6,140	\$ (4,823)	\$ (21,261)	\$ 15,814
Debt Service as a Percentage of Noncapital Expenditures	4.09%	4.01%	2.67%	2.80%	2.17%	2.46%	3.38%	4.03%	5.06%	4.98%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(in Thousands)

Fiscal Year	Residential	Commercial Industrial	Land	Personal Property	Motor Vehicle	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2018 ⁽³⁾	1,789,268	606,538	28,671	249,158	268,106	49,150	2,892,591	31.43	\$ 4,132,273	70.00%
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 ⁽²⁾	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	3,193,264	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 ⁽¹⁾	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%

Source: Town of Enfield Office of Tax Assessor

Note:

- (1) Revaluation completed effective October 1, 2006. The basis of assessment is 70% of the 2006 fair market value.
(2) Revaluation completed effective October 1, 2011 Grand List. The basis of assessment is 70% of the 2011 fair market value.
(3) Revaluation completed effective October 1, 2016 Grand List. The basis of assessment is 70% of the 2016 fair market value.

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

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

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Real Estate and Personal Property</u>										
Town:										
General	23.88	23.88	23.88	23.88	27.84	29.26	29.13	29.89	30.86	31.43
District:										
Enfield F.D.	2.35	2.35	2.50	2.65	3.05	3.15	3.25	3.35	3.45	3.50
Thompsonville F.D.	5.15	5.15	5.15	5.60	6.60	6.45	7.25	8.34	8.34	8.34
Hazardville F.D.	1.75	1.75	1.75	1.75	2.10	2.10	2.40	2.45	2.50	2.65
N. Thompsonville F.D.	2.40	2.40	2.40	2.40	2.90	3.05	3.15	3.15	3.15	3.15
Shaker Pines F.D.	1.10	1.70	1.70	1.70	2.20	2.30	2.30	2.30	2.30	3.00
<u>Motor Vehicles*</u>										
Town:										
General	23.88	23.88	23.88	23.88	27.84	29.26	29.13	29.89	28.80	28.80
District:										
Enfield F.D.	2.35	2.35	2.50	2.65	3.05	3.15	3.25	3.35	3.20	3.20
Thompsonville F.D.	5.15	5.15	5.15	5.60	6.60	6.45	7.25	8.34	3.20	0.00
Hazardville F.D.	1.75	1.75	1.75	1.75	2.10	2.10	2.40	2.45	2.50	2.65
N. Thompsonville F.D.	2.40	2.40	2.40	2.40	2.90	3.05	3.15	3.15	3.20	3.20
Shaker Pines F.D.	1.10	1.70	1.70	1.70	2.20	2.30	2.30	2.30	2.30	3.00

*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, 2016*			October 1, 2006		
	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	\$ 48,389	1	1.67 %	\$ 50,972	3	1.61 %
Connecticut Light and Power Company	35,870	2	1.24 %	20,803	8	0.66 %
NIP Owner LLC	33,857	3	1.17 %			
Centro Enfield LLC	29,990	4	1.04 %	61,077	1	1.93 %
Eppendorf, Inc.	29,106	5	1.01 %			
Brooks Brothers Group Inc	22,887	6	0.79 %			
Paramount Commons at Enfield LLC	22,771	7	0.79 %			
Brixmore GA Freshwater/Stalene LLC	22,365	8	0.77 %			
WE 250 Bacon Road LLC	19,067	9	0.66 %			
Equity One (Northeast Portfolio) LLC	17,903	10	0.62 %	20,754	9	0.66 %
Hallmark Cards Inc			%	39,588	4	1.25 %
Lego Building Corp				57,991	2	1.83 %
Galileo Freshwater Stateline				28,522	5	0.90 %
Galileo Enfield Commons				24,164	6	0.76 %
Retail Brand Alliance				23,755	7	0.75 %
Galileo Enfield Commons				10,871	10	0.34 %
Total	\$ 282,205		9.76 %	\$ 338,497		10.69 %

Source: Town of Enfield, Office of Tax Assessor

* Fiscal year July 1, 2017 - June 30, 2018

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
2018	RE/ PP 31.43 MV 28.80	89,207	87,384	97.96%	-	87,384	97.96%
2017	RE/ PP 30.86 MV 28.80	89,301	\$ 87,700	98.21%	\$ 880	\$ 88,580	99.19%
2016	29.89	86,126	84,487	98.10%	1,252	85,739	99.55%
2015	29.13	83,052	81,517	98.15%	1,234	82,751	99.64%
2014	29.26	83,132	81,428	97.95%	1,413	82,841	99.65%
2013	27.84	80,002	78,202	97.75%	1,577	79,779	99.72%
2012	23.88	76,343	74,517	97.61%	1,639	76,156	99.76%
2011	23.88	75,863	74,191	97.80%	1,459	75,650	99.72%
2010	23.88	75,354	73,940	98.12%	1,219	75,159	99.74%
2009	23.88	75,612	74,138	98.05%	1,234	75,372	99.68%

*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			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	Capital Leases					
2018	85,284	10,878		96,162	3.04%	2,137	6.48%
2017	\$ 57,955	\$ 10,042	\$	67,997	2.35%	1,511	4.87%
2016	62,155	1,502		63,657	2.21%	1,415	4.72%
2015	42,972	2,922		45,894	1.61%	1,020	3.40%
2014	19,450	4,633		24,083	0.85%	535	1.85%
2013	21,975	5,546		27,521	0.96%	612	2.11%
2012	23,905	4,867		28,772	0.90%	639	2.20%
2011	26,765	1,923		28,688	0.90%	652	2.33%
2010	29,165	1,145		30,310	0.96%	674	3.21%
2009	34,650	358		35,008	1.10%	778	3.54%

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, 2018

(In Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Debt repaid with property taxes			
Enfield Fire District	\$ 13	100%	\$ 13
Thompsonville Fire District	3,405	100%	3,405
Hazardville Fire District	408	100%	408
North Thompsonville Fire District	712	100%	712
	-		-
Subtotal, overlapping debt	4,538		4,538
Town Direct Debt	85,284		85,284
Total Direct and Overlapping Debt	\$ 89,822		\$ 89,822

SCHEDULE OF DEBT LIMITATION

June 30, 2018

(Unaudited)

(In Thousands)

Total Collections (Including Interest and Lien Fees) for the Year ended June 30, 2018						\$ 100,780
Reimbursement for Revenue Loss on: Elderly Freeze						<u>\$ 100,780</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Funding	
Debt Limitation						
2 1/4 times base	\$ 226,755	\$ -	\$ -	\$ -	\$ -	
4 1/2 times base	-	453,510	-	-	-	
3 3/4 times base	-	-	377,925	-	-	
3 1/4 times base	-	-	-	327,535	-	
3 times base	-	-	-	-	302,340	
Total debt limitation	<u>226,755</u>	<u>453,510</u>	<u>377,925</u>	<u>327,535</u>	<u>302,340</u>	
Indebtedness:						
Bonds payable	55,942	24,408				
Fire District debt	4,538					
Authorized/Unissued	16,000	-	26,000			
Total indebtedness	<u>76,480</u>	<u>24,408</u>	<u>26,000</u>	<u>-</u>	<u>-</u>	
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 150,275</u>	<u>\$ 429,102</u>	<u>\$ 351,925</u>	<u>\$ 327,535</u>	<u>\$ 302,340</u>	
Total Capacity of Borrowing (7 times Base)						\$ 705,460
Total present Indebtedness						<u>126,888</u>
Margin for Additional Borrowing						<u>\$ 578,572</u>

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(In thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limitation	\$ 705,460	\$ 710,416	\$ 688,688	\$ 665,616	\$ 663,733	\$ 626,094	\$ 599,466	\$ 593,768	\$ 591,241	\$ 601,174
Total Net Debt Applicable to Limit	126,888	167,814	163,112	140,025	83,747	91,272	58,172	36,960	39,228	38,552
Legal Debt Margin	\$ 578,572	\$ 542,602	\$ 525,576	\$ 525,591	\$ 579,986	\$ 534,822	\$ 541,294	\$ 556,808	\$ 552,013	\$ 562,622
Total Net Debt Applicable to the Limit as Percentage of Debt Limit	17.99%	23.62%	23.68%	21.04%	12.62%	14.58%	9.70%	6.22%	6.63%	6.41%

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⁾
2018	45	33	73	41	5	4.2%
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%

⁽¹⁾ Source: U.S. Department of Commerce, Bureau of the Census - 2013-2017 American Community Survey 5 Year Estimates - Demographic and Housing Estimates

⁽²⁾ Source: U.S. Department of Commerce, Bureau of the Census - 2013-2017 American Community Survey 5 Year Estimates - Selected Economic Characteristics

⁽³⁾ Source: Town of Enfield School Administration

⁽⁴⁾ Source: State of Connecticut Department of Labor June 2018

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	Nature of Business	2018			2009		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Mass Mutual Insurance	Insurance	1,538	1	4.09%	1,900	1	8.48%
Town of Enfield/Board of Education	Municipality	1,174	2	3.12%			
Lego Building Corp.	Plastic Games & Toys	570	3	1.52%	420	6	1.88%
CT Dept. of Corrections	Detention Facilities	528	4	1.40%	311	7	1.39%
Retail Brand Alliance	Retail	500	5	1.33%	400	5	1.79%
Advance Auto Parts Distribution Center	Distributor	415	6	1.10%			
Eppendorf Manufacturing	Life Science	330	7	0.88%			
Martin Brower	Transportation	260	8	0.69%	250	8	1.12%
Super Stop & Shop	Grocery Chain	140	9	0.37%			
Target	Retail	130	10	0.35%			
Kohl's	Retail	124	11	0.33%			
Hallmark Cards, Inc.	Greeting Cards				700	2	3.13%
Precision Camera	Camera Repair				450	3	2.01%
CUNO Inc.	Water Filters				350	4	1.56%
Specialized Technology Resources	Quality Assurance				200	9	0.89%
Total		5,709		15.18%	4,981		22.25%

Source: Town of Enfield, Official Statement and Historical Report

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	56	68	57	56	61	55	61	58	59	68
Public Safety	137	113	139	149	137	130	136	121	138	138
Refuse collection	20	20	20	20	19	20	20	20	21	22
Social Services	67	53	68	69	63	68	63	63	68	74
Other public works	114	102	115	117	109	110	112	109	109	65
Parks and recreation	3	3	2	2	2	2	3	3	3	3
Library	23	18	18	17	18	15	16	20	19	19
Education	767	757	757	766	771	781	796	826	835	831
Total	1,187	1,134	1,176	1,196	1,180	1,181	1,207	1,220	1,252	1,220

Source: Historical annual reports and departmental reports.

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Building permits issued	2,368	2,401	2,463	2,527	2,289	2,174	2,143	1,896	1,782	1,782
Police:										
Physical arrests	1,396	1,754	1,541	1,438	1,303	1,406	2,729	2,913	1,510	1,510
Parking violations	245	90	190	203	485	217	325	507	583	583
Traffic violations	7,238	8,679	8,200	5,087	10,640	10,711	10,357	11,235	11,797	11,797
Refuse collection:										
Refuse collected (tons per day)	66	67	55	55	66	70	69	85	62	62
Recyclables (tons per day)	17	18	16	16	18	21	18	16	13	13
Library:										
Volumes in collection	127,449	134,241	134,241	154,269	141,271	136,043	136,043	147,751	145,570	145,570
Total volumes borrowed	225,510	239,019	277,414	290,609	309,780	329,064	352,091	368,370	383,243	383,243
Wastewater:										
Average daily sewage treatment (thousands of gallons)	4,838	4,587	5,139	4,550	5,295	4,954	5,820	5,160	5,900	5,900

Source: Historical departmental reports.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	2	1	1	1	1	1	1	1	1	1
Patrol districts	7	7	7	7	7	7	7	7	7	7
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	13	13	13	13	13	14	13	15	15	13
Other public works:										
Streets (miles)	183	183	183	181	181	181	181	181	181	181
Highways (miles)	30	30	30	30	30	30	30	30	30	30
Streetlights	3699	3699	3690	3690	3690	3690	3690	3690	3690	3690
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	404
Playgrounds	20	20	20	21	21	21	21	11	11	11
Baseball/softball diamonds	36	36	36	36	36	36	36	35	35	35
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	286
Storm sewers (miles)	400	400	400	400	400	400	400	400	400	400