



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
OFFICE OF FINANCE

FY 2020-2021 MUNICIPAL AUDIT QUESTIONNAIRE

- ❖ This Questionnaire is required to be submitted to OPM with the audit reports of municipalities and audited agencies (as defined under Section 7-391 of the Connecticut General Statutes).

Name of Auditee Town of Ellington, Connecticut

Fiscal Period under Audit July 1, 2020 to June 30, 2021

CliftonLarsonAllen LLP

(Audit Firm Name)

Vanessa Rossitto Digitally signed by Vanessa Rossitto
Date: 2021.12.09 15:10:32 -05'00'

(Signature)

December 9, 2021

(Date)

This Questionnaire was reviewed with and a copy given to:

Tiffany Pignataro

Name of Municipal Official

on December 9, 2021

Date

Finance Director

Title of Municipal Official

860-870-3115

Telephone

	<u>YES</u>	<u>NO</u>	<u>NA</u>
1. Did you inform the town, city or Borough clerk of that part of Section 7-394 of the General Statutes which provides that within one week after receiving the audit report he/she shall cause to be published a legal notice in a newspaper having a substantial circulation in the municipality that the report is on file in said clerk's office?	<u>X</u>	<u> </u>	<u> </u>
2. Did you obtain a letter from municipal counsel with respect to unpaid or pending judgments and as to any other legal proceeding affecting the municipality's finances?	<u>X</u>	<u> </u>	<u> </u>
3. Were financial statements and/or books and records of the entity made available within a reasonable time after the close of the fiscal year?	<u>X</u>	<u> </u>	<u> </u>
4. Did the entity issue tax anticipation notes (TANs) during the fiscal year?	<u> </u>	<u>X</u>	<u> </u>
(If yes, the notes to the financial statements should provide details regarding such TANs, including the purpose for which the TANs were issued.)			
5. Was a separate management letter issued in addition to the Internal Control Report? If so, it must be submitted to the Office of Policy and Management with the audit report.	<u>X</u>	<u> </u>	<u> </u>
6. Were municipal officials (including the chief elected or executive official and governing body of the municipal entity) made aware of findings and recommendations resulting from the audit?	<u>X</u>	<u> </u>	<u> </u>
7. Federal Single Audit Act as Amended, 1996; Uniform Guidance for Federal Awards (Title 2 of CFR, 12/26/13)			
(a) Did you conduct a Single Audit of Federal Financial Assistance expended by the entity for FY 2020-21?	<u>X</u>	<u> </u>	<u> </u>
(b) Is a copy of the Single Audit included in the reporting package submitted?	<u>X</u>	<u> </u>	<u> </u>
8. State Single Audit (SSA) Act as amended by P.A. 09-7; Regulations to the SSA Act as amended by P.A. 09-7			
(a) Did you conduct a Single Audit of state financial assistance expended by the entity for FY 2020-21 or a program-specific audit of the entity's sole state program?	<u>X</u>	<u> </u>	<u> </u>
(b) Is a copy of the State Single Audit or program-specific audit included in the reporting package submitted?	<u>X</u>	<u> </u>	<u> </u>

	<u>YES</u>	<u>NO</u>	<u>NA</u>
(c) If applicable, did officials prepare a Corrective Action Plan (CAP) in sufficient time for inclusion in the audit report package [C.G.S. Sec.4-233(d)] to be filed with OPM as the cognizant state agency (hardcopy and electronic)?	<u>X</u>	<u> </u>	<u> </u>
(d) Did you upload the corrective action plan with the audit report package on OPM's Electronic Audit Reporting System?	<u>X</u>	<u> </u>	<u> </u>

TOWN OF ELLINGTON, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TOWN OF ELLINGTON, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Department of Finance

Tiffany Pignataro, CPA, MBA
Finance Officer, Treasurer

**TOWN OF ELLINGTON, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



STATE OF CONNECTICUT – COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

Finance Office

55 MAIN STREET – PO BOX 187
ELLINGTON, CONNECTICUT 06029-0187
TEL 870-3115 FAX 870-3158
www.ellington-ct.gov

December 3, 2021

To the Board of Finance and Citizens of the Town of Ellington:

State law requires that every general-purpose local government 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 auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to this requirement, we are pleased to issue the Annual Comprehensive Financial Report (ACFR) of the Town of Ellington for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the Town of Ellington. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Ellington has established an 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 Ellington's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Ellington'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 Ellington's financial statements have been audited by CliftonLarsonAllen LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Ellington for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Ellington's financial statements for the fiscal year ended June 30, 2021 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 Ellington was part of broader “Single Audits” mandated by the federal government and the State of Connecticut and 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 government’s internal controls and legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Town of Ellington’s separately issued Single Audit Reports. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Ellington’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Ellington, incorporated in May 1786, is nestled in the Connecticut River Valley and set against the backdrop of the Shenipsit State Forest. Ellington is best known for its roots as an agricultural community and remains one of the largest agricultural production towns in Connecticut. The Town currently covers an area of 34.59 square miles and serves an estimated population of 16,170. The Town of Ellington is empowered to levy a property tax on both real and personal properties located within its boundaries.

The legislative power of the Town is vested in a seven-member Board of Selectmen and the Town Meeting. The First Selectman, elected for a two-year term, serves as the full-time chief executive officer of the Town. The First Selectman presides over the Board of Selectmen and has full voting privileges on the Board. Their designee is also an ex-officio member of all Town boards, commissions and agencies, but without power to vote.

The annual budget serves as the foundation for the Town’s financial planning and controls. Annual budgets are recommended by the Board of Selectmen and Board of Education to the Board of Finance. Upon completion of budget hearings and careful review and deliberations, the Board of Finance recommends a final budget which is subject to voter approval through Town Meeting and referendum.

The Town maintains a comprehensive budgetary reporting system and controls to monitor results of budget operations and ensure compliance with legal provisions embodied in the annual appropriated budget approved by referendum. The General Fund is the only fund for which a legal budget is adopted. Activities of the General Fund are included in the annual appropriated budget. The coordination and administration of the budget and financial affairs of the Town is performed by the Finance Officer/Treasurer.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level. Transfers within departments require approval from the Board of Finance after recommendation by the Board of Selectmen. Open encumbrances, reflecting goods and services not received, are reported as an assigned fund balance at June 30.

The Town provides a full range of services, including: general government services; police and fire protection; public works for the management, care and maintenance of Town properties and vehicles, and construction and maintenance of highways, streets and other infrastructure; health and welfare services; library; cultural and recreational activities and education.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Ellington operates.

Economic Condition and Outlook

Ellington is a desirable rural community with an excellent school system and a high standard of living. The Town has one public beach; in Crystal Lake area, as well as a public boat launch. The Town also owns recreation facilities that provide hiking, camping, picnicking, soccer, lacrosse, tennis, football and baseball/softball activities.

Through the Conservation Commission, the Town pursues and reviews opportunities to purchase open space land that would provide for future passive recreational and municipal use, in addition to maintaining open space.

Unemployment in Ellington is consistently lower than state and national averages, standing at 6.00% as of June 2021 compared to the State unemployment rate of 7.7%. The increase in unemployment for the Town of Ellington and the State of Connecticut is attributed to the effect of COVID-19 on local businesses. Ellington's personal per capita income and its and education attainment exceed the State of Connecticut averages.

Ellington has a well-balanced, economically diverse mix of businesses, commercial office buildings, medical facilities, and retail space. Major employers include municipal, retail, healthcare services, manufacturing and farming.

The Town's October 1, 2019 Net Taxable Grand List of \$1,502,856,768 increased by \$71,963,467 or 5.03%. The tax base in Ellington is primarily residential (approximately 80% of the total taxable grand list). Property taxes, interest, and lien fees comprise 78.7% of Town General Fund revenues, and the current property tax collection rate remains consistently strong at 99.2%.

Adding to the Town's economic base is a priority, while balancing Ellington's historic status, preserving open space and protection Ellington's distinctive character as a small, residential town.

Long-Term Financial Planning

The unassigned fund balance in the General Fund as of June 30, 2021 was 5.6% of annual operating expenditures, steady with 5.6% as of June 30, 2020. The town has made progress in reaching its recommended guideline of a minimum of 10% of annual operating expenditures pursuant to the formal Fund Balance Policy adopted by the Board of Selectmen. The Policy calls for the Town to maintain the fund balance above the minimum level when reviewed annually during the budget process except under extraordinary events or in unanticipated situations. The maintenance of unassigned levels is an element of sound fiscal management required for sustaining high credit rating and financial management flexibility.

The Town prepares and approves a Capital Improvement Program (CIP) annually, which is subject to the approval of the Board of Selectmen. The CIP is a long-term planning and policy document. Projects are evaluated and prioritized in terms of need, cost effectiveness, ability to generate economic benefit, and sources of funding. The Town funds a portion of the CIP annually through the General Fund operating budget.

Major Initiatives

During fiscal year 2021, road reconstruction continued to be a key multi-year initiative as the Town was actively involved in several major road and bridge projects. The Town actively pursues all State and Federal grant opportunities to supplement local funding for these projects.

Improvements and maintenance of Town buildings and infrastructure, and the vehicle and equipment replacement program will continue to be a multi-year priority, and will be prioritized in accordance with the Five-Year Capital Plan.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report. In order to be awarded a Certificate of Achievement, the Town must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. I believe our current report conforms to Certificate of Achievement for Excellence in Financial Reporting Program requirements, and I am submitting it to GFOA to determine its eligibility for a certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the entire Finance Department and the many departments who provided information. I would like to express my appreciation to all who assisted and contributed to its preparation. The continuing support of the Board of Finance and the Board of Selectmen, who remain committed to fiscal integrity and financial leadership, is greatly appreciated.

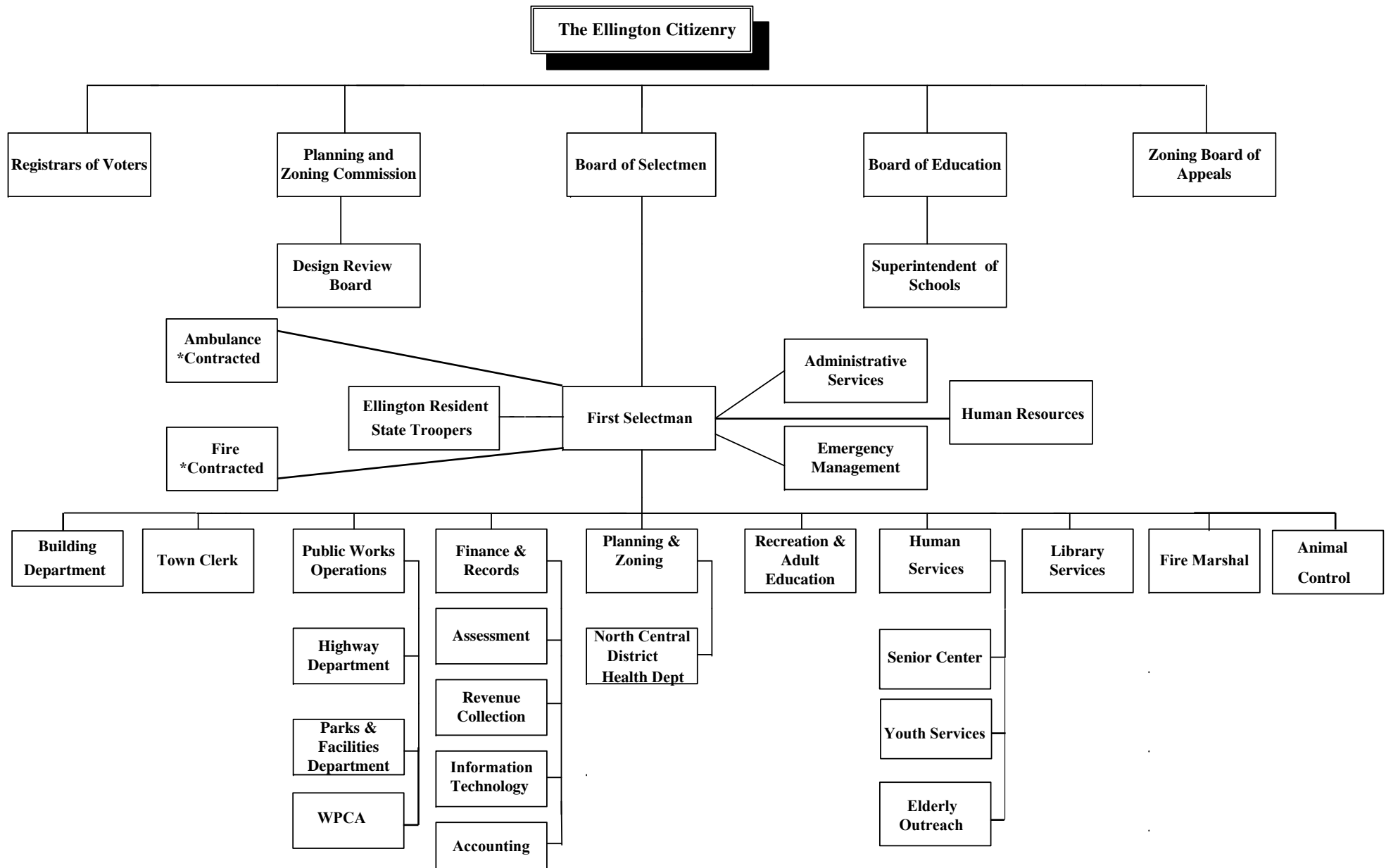
Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'TPignataro', with a stylized flourish at the end.

Tiffany Pignataro, CPA, MBA
Finance Officer/Treasurer

Town of Ellington

Organization Chart



TOWN OF ELLINGTON

PRINCIPAL OFFICIALS

JUNE 30, 2021

BOARD OF SELECTMEN

Lori L Spielman, First Selectman
James Prichard, Deputy First Selectman
David Stavens, Selectman
Sarah Cook, Selectman
Melinda Ferry, Selectman
Ronald Stomberg, Selectman
John Turner, Selectman

BOARD OF FINANCE

Douglas Harding, Chairman
Barry Pinto, Vice Chairman
Michael Purcaro
Keith Durao
David Olender
Joseph Wehr

BOARD OF EDUCATION

Jennifer Dzen, Chairman
Angela Moser
Jennifer Mullin
Kris Picard-Wambolt
Miriam Underwood
Gary Blanchette
Marcia Kupferschmid
Elizabeth Nord
Kerry Socha
Michael Young

OTHER OFFICIALS

Dr. Scott Nicol, Superintendent of Schools

FINANCIAL SECTION



Independent Auditors' Report

Board of Finance
Town of Ellington, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2021 (except for the pension trust fund which is as of July 31, 2020), and the related notes to the financial statements, which collectively comprise the Town of Ellington, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of June 30, 2021 (except for the pension trust fund which is as of July 31, 2020) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As disclosed in Note 7 to the financial statements, during fiscal year ended June 30, 2021, the Town of Ellington, Connecticut, adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the Town of Ellington, Connecticut, reported a restatement for the change in accounting principle. Additionally, the Town of Ellington, Connecticut, reassessed the receivables in the Sewer Authority Fund and Crystal Lake Sewers Fund and restated net position for the unbilled amount. Our auditors' opinion was not modified with respect to these restatements.

Other Matters

Required Supplementary Information

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

Other Information

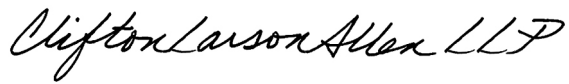
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ellington, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis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

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021 on our consideration of the Town of Ellington, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ellington, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

The management of the Town of Ellington, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$89,351,858 (net position). Of this amount, \$16,706,089 represents the Town's unrestricted net position, which may be used to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's change in net position for the year ended June 30, 2021 amounted to an increase of \$533,841.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$23,681,403, an increase of \$4,575,719 in comparison with the prior year.
- At the end of the current fiscal year, the total fund balance of the Town's General Fund was \$15,146,532, an increase of \$910,240 in comparison with the prior year.
- The Town's total long-term debt increased by \$115,959 or 0.7% due to scheduled principal repayments and refunding of existing bonds, offset by new capital lease financing and bond issuance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources and liabilities, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, recreation, library, human services and education. The business-type activities of the Town include sewer and solid waste activities.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Crystal Lake School Addition Renovation Fund, Small Cities Loan Program Fund, Education Grants Fund, and ARPA Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Proprietary Funds

The Town maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer and solid waste disposal operations. Internal service funds are used for the financing of goods and services provided by one department or agency to other departments or agencies of the Town, or to other governments, on a cost reimbursement basis. The Town uses internal service funds to account for the Board of Education's medical and dental self-insurance funds.

The Town maintains four individual enterprise funds. The Town maintains two individual internal service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the proprietary fund financial statements for the Sewer Authority Fund and the Crystal Lake Sewers Fund, both of which are considered to be major funds. Data from the other two enterprise funds are combined into a single, aggregated presentation. Data from the two internal service funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise and internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 through 25 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 and 27 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 68 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules that can be found on pages 69 through 105 of this report.

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

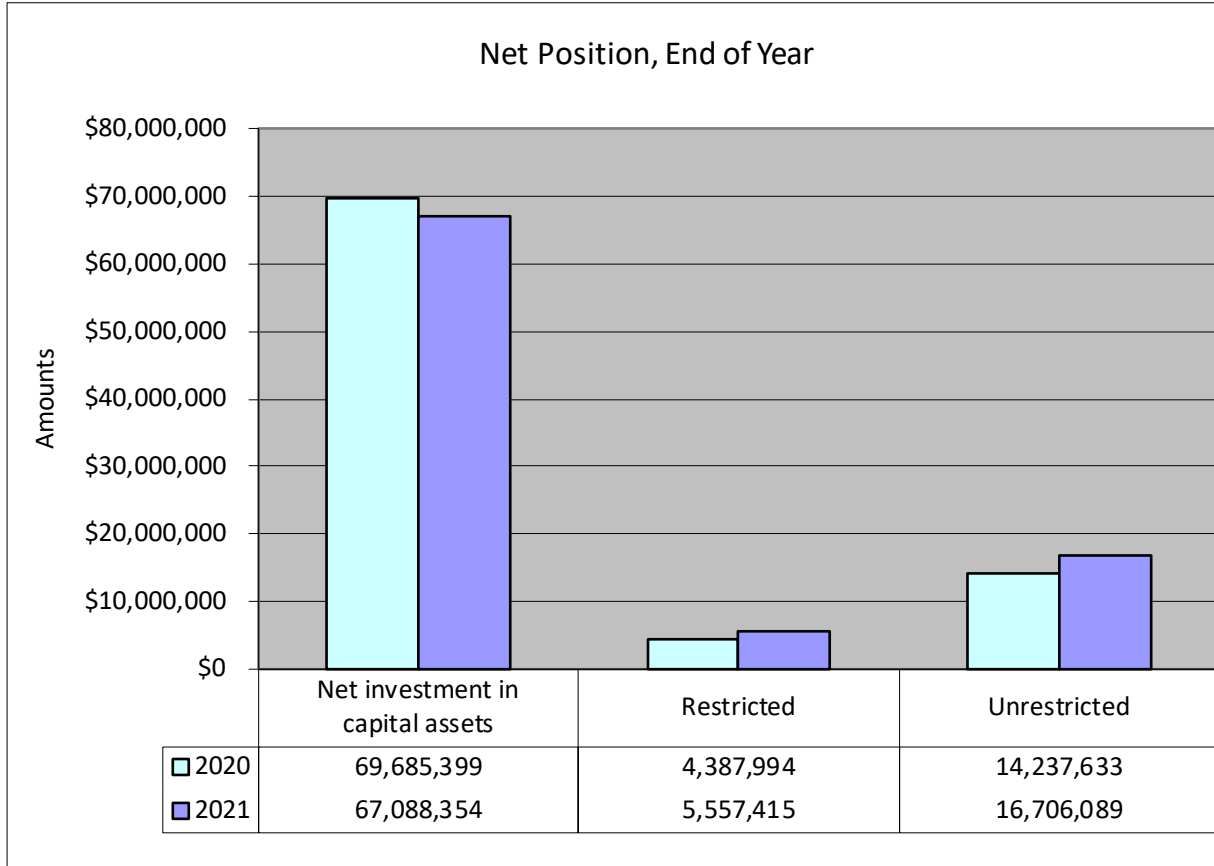
Over time, net position may serve as one measure of a government's financial position. Total net position (governmental and business-type activities combined) of the Town totaled \$89,351,858 and \$88,311,026 as of June 30, 2021 and 2020, respectively, and are summarized below. Certain amounts reported as of June 30, 2020 have been reclassified to conform to the current year presentation.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 30,345,794	\$ 24,533,780	\$ 11,090,493	\$ 10,078,714	\$ 41,436,287	\$ 34,612,494
Capital assets, net of accumulated depreciation	75,295,398	76,818,453	8,973,275	9,389,211	84,268,673	86,207,664
Total assets	<u>105,641,192</u>	<u>101,352,233</u>	<u>20,063,768</u>	<u>19,467,925</u>	<u>125,704,960</u>	<u>120,820,158</u>
Deferred outflows of resources	<u>5,687,559</u>	<u>6,582,913</u>	<u>2,665</u>		<u>5,690,224</u>	<u>6,582,913</u>
Current liabilities	7,273,564	5,551,132	585,126	643,377	7,858,690	6,194,509
Long-term liabilities outstanding	32,004,093	30,684,318	600,732	600,000	32,604,825	31,284,318
Total liabilities	<u>39,277,657</u>	<u>36,235,450</u>	<u>1,185,858</u>	<u>1,243,377</u>	<u>40,463,515</u>	<u>37,478,827</u>
Deferred inflows of resources	<u>1,579,811</u>	<u>1,106,227</u>			<u>1,579,811</u>	<u>1,106,227</u>
Net Position:						
Net investments in capital assets	58,724,896	60,996,188	8,363,458	8,689,211	67,088,354	69,685,399
Restricted	5,557,415	4,387,994			5,557,415	4,387,994
Unrestricted	<u>6,188,972</u>	<u>5,209,287</u>	<u>10,517,117</u>	<u>9,535,337</u>	<u>16,706,089</u>	<u>14,744,624</u>
Total Net Position	<u>\$ 70,471,283</u>	<u>\$ 70,593,469</u>	<u>\$ 18,880,575</u>	<u>\$ 18,224,548</u>	<u>\$ 89,351,858</u>	<u>\$ 88,818,017</u>

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



Net position of the Town is reflected 75.6% in investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of the Town is comprised 6.3% of which is subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased by \$533,841 in comparison to the prior year.

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

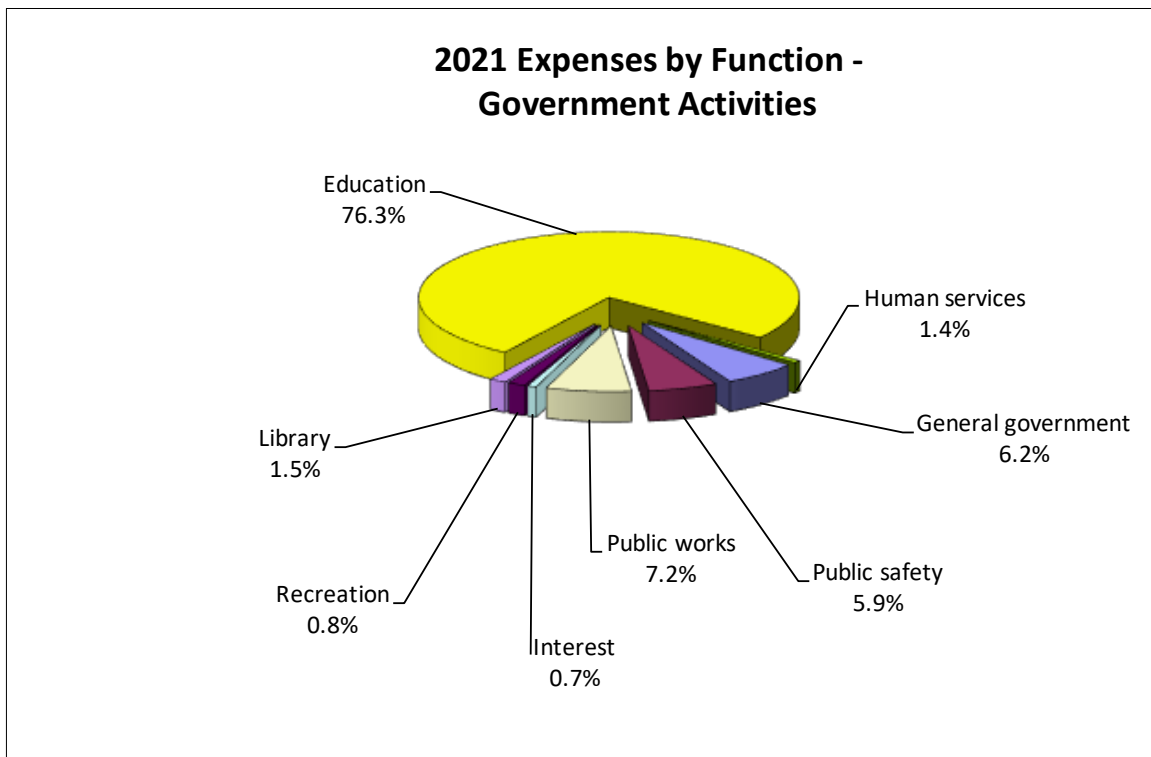
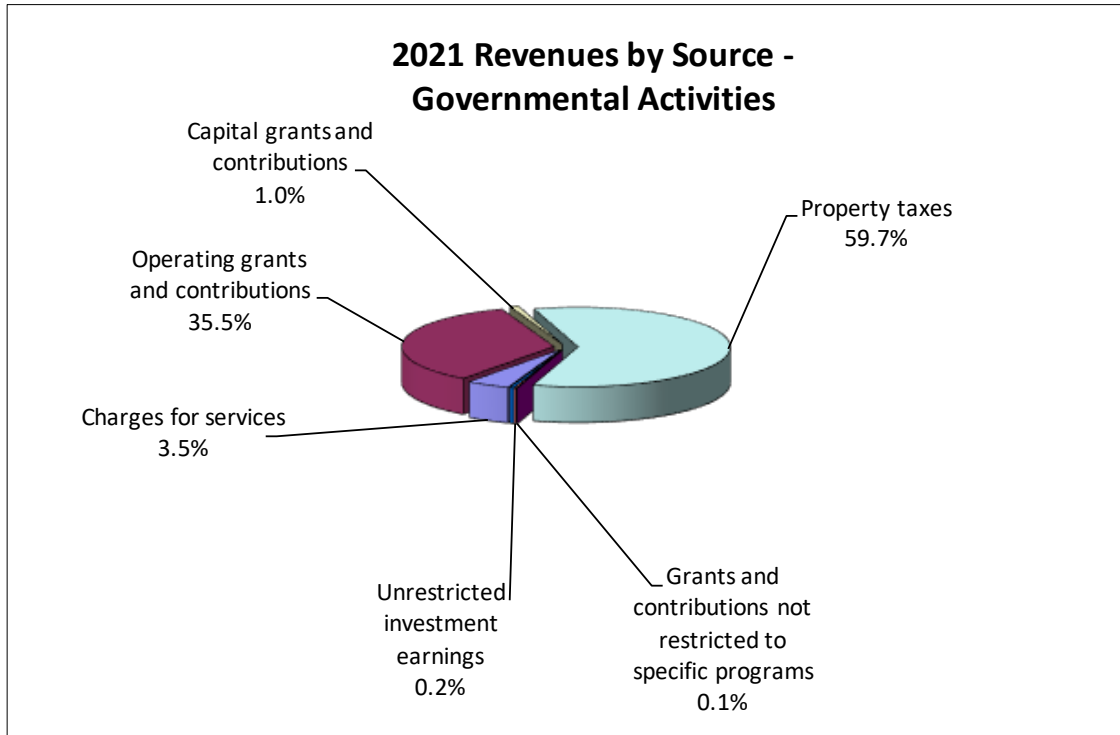
Changes in net position for the years ended June 30, 2021 and 2020 are as follows. Certain amounts reported for the year ended June 30, 2020 have been reclassified to conform to the current year presentation.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 3,653,980	\$ 4,738,854	\$ 3,671,293	\$ 3,374,575	\$ 7,325,273	\$ 8,113,429
Operating grants and contributions	27,297,852	21,839,596			27,297,852	21,839,596
Capital grants and contributions	704,512	2,514,966			704,512	2,514,966
General revenues:						
Property taxes	47,330,283	46,552,654			47,330,283	46,552,654
Grants not restricted to specific programs	88,849	50,613			88,849	50,613
Unrestricted investment earnings	180,487	301,052	8,369	125,741	188,856	426,793
Miscellaneous revenue	353,420	175,709			353,420	175,709
Total revenues	<u>79,609,383</u>	<u>76,173,444</u>	<u>3,679,662</u>	<u>3,500,316</u>	<u>83,289,045</u>	<u>79,673,760</u>
Expenses:						
General government	5,012,849	2,892,490			5,012,849	2,892,490
Public safety	4,680,388	5,367,237			4,680,388	5,367,237
Public works	5,758,110	5,997,920			5,758,110	5,997,920
Recreation	618,773	806,586			618,773	806,586
Library	1,183,120	1,518,703			1,183,120	1,518,703
Human services	1,156,472	1,109,667			1,156,472	1,109,667
Education	60,756,248	55,226,175			60,756,248	55,226,175
Interest expense	536,234	529,006			536,234	529,006
Sewer and solid waste			3,053,010	3,023,096	3,053,010	3,023,096
Total expenses	<u>79,702,194</u>	<u>73,447,784</u>	<u>3,053,010</u>	<u>3,023,096</u>	<u>82,755,204</u>	<u>76,470,880</u>
Change in net position before transfers	(92,811)	2,725,660	626,652	477,220	533,841	3,202,880
Transfers	(29,375)	(33,500)	29,375	33,500	-	-
Change in net position	<u>(122,186)</u>	<u>2,692,160</u>	<u>656,027</u>	<u>510,720</u>	<u>533,841</u>	<u>3,202,880</u>
Net Position at Beginning of Year	70,593,469	66,707,154	18,224,548	17,144,343	88,818,017	83,851,497
Restatement		1,194,155		569,485		1,763,640
Net Position at End of Year	<u>\$ 70,471,283</u>	<u>\$ 70,593,469</u>	<u>\$ 18,880,575</u>	<u>\$ 18,224,548</u>	<u>\$ 89,351,858</u>	<u>\$ 88,818,017</u>

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*



TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*

Governmental Activities

Governmental activities decreased the Town's net position by \$(122,186) during fiscal year 2021, compared to a prior year increase of \$2,692,160.

Overall revenues increased by \$3,435,939 or 4.5% over the prior year. Revenues from operating and capital grants increased by \$3,647,802 due to an increase year over year in the State Teachers Retirement, State Teachers Retirement OPEB and Excess Cost Grant revenue. Revenues from charges for services decreased by \$(1,084,874) or (22.9)%. This decrease was mainly due to a decrease in the charges for service related to the education district and student activities, as well as the charges for service related to the education special revenue activities. Revenues from property taxes increased by \$777,629 or 1.7%, which was driven by an overall increase in the taxable grand list.

Overall expenses increased by \$6,254,410 or 8.5% over the prior year. Expenses include an increase of \$2,120,359 for general government which includes \$824,823 for the CMERS plan and \$961,005 reallocation of capital outlay expenditures not capitalized. An increase of \$5,530,073 in Education which includes an increase of \$1,824,438 reallocation of capital outlay expenditures not capitalized, \$833,182 for the CMERS plan, \$395,770 from the Board of Education Medical and Dental Self Insurance, insurance and administration costs, and an increase of \$1,996,190 in State Teacher Retirement expenses.

Business-type Activities

Business-type activities increased the Town's net position by \$656,027 during fiscal year 2021, compared to a prior year increase of \$510,720.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$23,681,403, an increase of \$5,418,455 in comparison with the prior year. Of the total governmental fund balances, \$3,491,818 constitutes unassigned fund balance, which is primarily derived from the General Fund. The remainder of the Town's fund balance has been classified as either nonspendable, restricted, committed or assigned, and is not available for other use without authorization from the governing bodies of the Town or external parties.

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)*

Governmental Funds *(Continued)*

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,554,601, while total fund balance was \$15,146,532. In addition to unassigned fund balance, the Town maintains a capital reserve pursuant to its Charter in the amount of \$6,138,650. The remaining General Fund fund balance has been committed or assigned for various other purposes, including \$2,946,748, which has been assigned for use in the Town's fiscal year 2022 budget.

The fund balance of the Town's General Fund increased by \$910,240 in comparison with the prior year.

Crystal Lake School Addition Renovation Fund

At the end of the current fiscal year, the restricted fund balance in the Town's Crystal Lake School Addition Renovation Fund was \$49,121, which was an increase of \$3,245,011 from the prior year. The Town issued long-term debt during fiscal year 2021 to eliminate the prior fund balance deficit of \$(3,195,890).

Small Cities Program Income Fund

The fund balance of the Town's Small Cities Loan Program Fund decreased by \$69 to \$3,043,409.

Proprietary Funds

Unrestricted net position of the Sewer Authority Fund as of June 30, 2021 totaled \$8,754,120. Unrestricted net position of the Crystal Lake Sewer Fund as of June 30, 2021 totaled \$1,635,616.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for 2021 planned for the utilization of fund balance of \$1,767,645. The final budget for 2021 included additional appropriations of \$343,155. The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$1,090,999. Revenues were \$3,719,208 less than budgeted and expenditures were \$4,810,207 less than budgeted. The Town recognized a favorable variance in tax collections as the percent of collection ended higher than budgeted, however this was offset by WPCA revenue being tracked in the enterprise fund rather than the General Fund as originally budgeted. Expenditures were generally under budget across all departments, including the decrease relating to WPCA offsetting expenditures also being tracked in the enterprise fund. Final budgetary results also reflected continued funding of the Town's Reserve for Other Post-employment Benefits in the amount of \$100,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021 totaled \$84,268,673 (net of accumulated depreciation and amortization). This investment in capital assets includes an art collection, land, property development rights, buildings and improvements, machinery, equipment and vehicles, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$1,938,991 or 2%. The decrease is due to current year depreciation and amortization in the amount of \$4,226,411, offset by current year capital asset additions of \$2,287,420.

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

Significant capital asset additions included the following:

- Infrastructure improvements made to various Town roads and sidewalks;
- DPW brush chipper in the amount of \$59,814;
- Ellington Volunteer Fire Department replacement pumper in the amount of \$624,424
- Hall Memorial Library air handler replacement in the amount of \$80,000
- Police accountability act body-worn equipment in the amount of \$100,250
- Emergency Services portable radio replacement in the amount of \$76,844
- Acquisition of 80 Maple Street in the amount of \$229,294

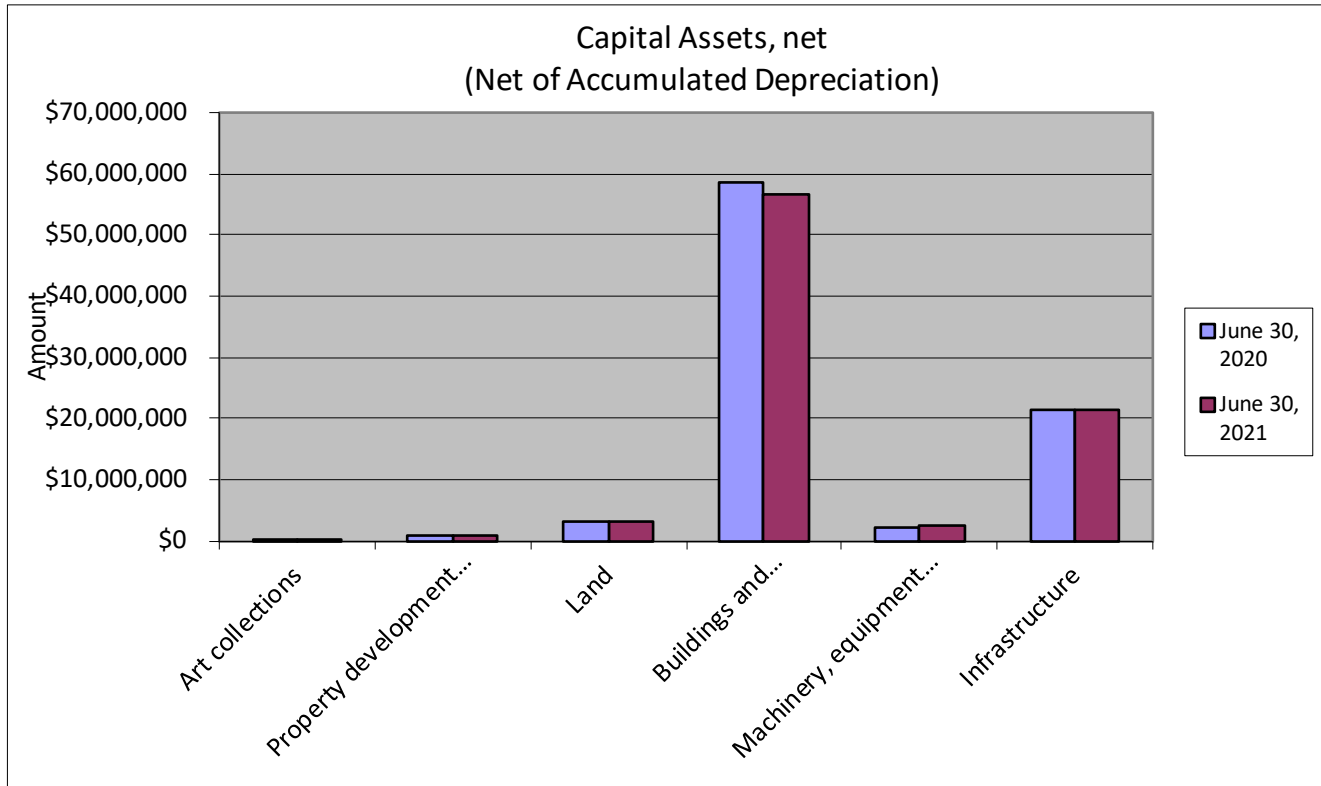
The following table is a two year comparison of the investment in capital assets presented for both governmental and business-type activities:

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Art collections	\$ 35,598	\$ 35,598	\$	\$	\$ 35,598	\$ 35,598
Property development rights	817,877	817,877			817,877	817,877
Land	3,056,666	3,056,666			3,056,666	3,056,666
Buildings and improvements	56,619,272	58,704,238			56,619,272	58,704,238
Machinery, equipment and vehicles	2,380,604	2,214,554			2,380,604	2,214,554
Infrastructure	<u>12,385,381</u>	<u>11,989,520</u>	<u>8,973,275</u>	<u>9,389,211</u>	<u>21,358,656</u>	<u>21,378,731</u>
Total	<u>\$ 75,295,398</u>	<u>\$ 76,818,453</u>	<u>\$ 8,973,275</u>	<u>\$ 9,389,211</u>	<u>\$ 84,268,673</u>	<u>\$ 86,207,664</u>

TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*



Additional information on the Town's capital assets can be found in the notes to the basic financial statements.

Long-term Debt

At the end of the current fiscal year, the Town had total general obligation debt outstanding of \$15,881,661. This entire amount is comprised of debt backed by the full faith and credit of the Town. In addition, the Town had capital leases from direct borrowings outstanding of \$1,369,588, which is collateralized by the related capital assets.

The Town's total debt increased by \$168,441 or 1.0% due to scheduled principal repayments and long-term debt refunding of \$6,413,465, offset by new long-term debt issuance, new capital lease financing arrangements in the amount of \$6,581,906.

State statutes limit the amount of general obligation debt the Town may issue to approximately seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

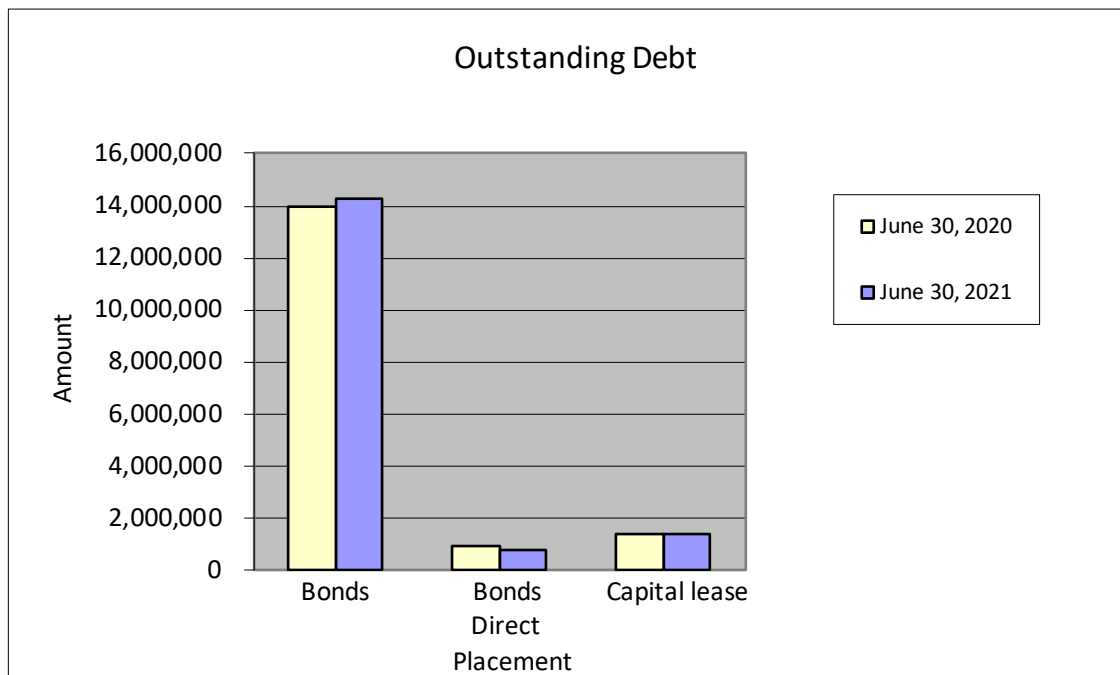
TOWN OF ELLINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt (Continued)

The following table is a two-year comparison of long-term debt presented for both governmental and business-type activities:

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 13,690,000	\$ 13,280,000	\$ 612,482	\$ 700,000	\$ 14,302,482	\$ 13,980,000
General obligation bonds - direct placement	815,000	955,000			815,000	955,000
Capital leases	1,369,588	1,383,629			1,369,588	1,383,629
	<u>\$ 15,874,588</u>	<u>\$ 15,618,629</u>	<u>\$ 612,482</u>	<u>\$ 700,000</u>	<u>\$ 16,487,070</u>	<u>\$ 16,318,629</u>



Additional information on the Town's long-term debt can be found in the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2022 and thereafter.
- The State imposes a cap on municipal spending to limit the budgeted expenditures to 2.5% above the previous year, or the rate of inflation, whichever is greater. The cap includes certain exemptions relating to increases in debt service, special education costs, claims and judgments and costs incurred related to major disaster or emergency declarations. Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap may receive a reduced municipal revenue sharing grant.
- The State has established a minimum budget requirement ("MBR") for budgeted education expenditures. The MBR prohibits towns from budgeting less for education than it did in the previous year unless, and within limits, the Town can demonstrate a decrease in school enrollment or savings through increased efficiencies. Any increases or decreases that the Town receives in its Education Cost Sharing grant will result in a corresponding increase or decrease in the Town's MBR.
- Inflationary trends in the region compare favorably to national indices.
- The financial implications of COVID-19 in which costs have increased and revenue has decreased.

All of these factors were considered in preparing the Town's budget for fiscal year 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Officer, Town of Ellington, 55 Main Street, Ellington, CT 06029.

BASIC FINANCIAL STATEMENTS

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 25,302,674	\$ 8,317,912	\$ 33,620,586
Investments	1,452,011		1,452,011
Receivables	4,812,250	1,067,138	5,879,388
Internal balances	(1,239,035)	1,239,035	-
Supplies	17,894		17,894
Assessments receivable - long term portion		466,408	466,408
Capital assets, nondepreciable	3,910,141		3,910,141
Capital assets, net of accumulated depreciation	71,385,257	8,973,275	80,358,532
Total assets	<u>105,641,192</u>	<u>20,063,768</u>	<u>125,704,960</u>
Deferred Outflows of Resources:			
Deferred charge on refunding		2,665	2,665
Deferred outflows related to LOSAP	239,687		239,687
Deferred outflows related to MERS	4,012,741		4,012,741
Deferred outflows related to OPEB	1,435,131		1,435,131
Total deferred outflows of resources	<u>5,687,559</u>	<u>2,665</u>	<u>5,690,224</u>
Liabilities:			
Accounts payable and accrued liabilities	2,187,141	529,999	2,717,140
Due to fiduciary funds	1,618		1,618
Unearned revenue	2,990,912	43,377	3,034,289
Noncurrent liabilities:			
Due within one year	2,093,893	11,750	2,105,643
Due in more than one year	32,004,093	600,732	32,604,825
Total liabilities	<u>39,277,657</u>	<u>1,185,858</u>	<u>40,463,515</u>
Deferred Inflows of Resources:			
Deferred inflows related to LOSAP	15,462		15,462
Deferred inflows related to MERS	1,331,757		1,331,757
Deferred inflows related to OPEB	232,592		232,592
Total deferred inflows of resources	<u>1,579,811</u>	<u>-</u>	<u>1,579,811</u>
Net Position:			
Net investment in capital assets	58,724,896	8,363,458	67,088,354
Restricted for:			
Grant purposes	4,166,885		4,166,885
Employee Benefits	21,558		21,558
Endowments - expendable	1,316,475		1,316,475
Endowments - nonexpendable	52,497		52,497
Unrestricted	6,188,972	10,517,117	16,706,089
Total Net Position	<u>\$ 70,471,283</u>	<u>\$ 18,880,575</u>	<u>\$ 89,351,858</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 5,012,849	\$ 726,293	\$ 429,545	\$	\$ (3,857,011)	\$	\$ (3,857,011)
Public safety	4,680,388	1,212,838	9,383		(3,458,167)		(3,458,167)
Public works	5,758,110	2,240	341,395	417,322	(4,997,153)		(4,997,153)
Recreation	618,773	140,981	6,260		(471,532)		(471,532)
Library	1,183,120		29,674		(1,153,446)		(1,153,446)
Human services	1,156,472	10,838	153,344	2,500	(989,790)		(989,790)
Education	60,756,248	1,560,790	26,328,251	284,690	(32,582,517)		(32,582,517)
Interest and fiscal charges	536,234				(536,234)		(536,234)
Total governmental activities	<u>79,702,194</u>	<u>3,653,980</u>	<u>27,297,852</u>	<u>704,512</u>	<u>(48,045,850)</u>	<u>-</u>	<u>(48,045,850)</u>
Business-type activities:							
Sewer Authority Fund	2,092,478	2,731,625				639,147	639,147
Crystal Lake Sewers Fund	332,283	247,181				(85,102)	(85,102)
Nonmajor Enterprise Funds	628,249	692,487				64,238	64,238
Total business-type activities	<u>3,053,010</u>	<u>3,671,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,283</u>	<u>618,283</u>
	<u>\$ 82,755,204</u>	<u>\$ 7,325,273</u>	<u>\$ 27,297,852</u>	<u>\$ 704,512</u>	<u>(48,045,850)</u>	<u>618,283</u>	<u>(47,427,567)</u>
General revenues:							
Property taxes					47,330,283		47,330,283
Grants and contributions not restricted to specific programs					88,849		88,849
Unrestricted investment earnings					180,487	8,369	188,856
Miscellaneous					353,420		353,420
Transfers					(29,375)	29,375	-
Total general revenues and transfers					<u>47,923,664</u>	<u>37,744</u>	<u>47,961,408</u>
Change in net position					(122,186)	656,027	533,841
Net Position at Beginning of Year, as restated					<u>70,593,469</u>	<u>18,224,548</u>	<u>88,818,017</u>
Net Position at End of Year					<u>\$ 70,471,283</u>	<u>\$ 18,880,575</u>	<u>\$ 89,351,858</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ELLINGTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Crystal Lake School Addition Renovation Fund	Small Cities Program Income Fund	Education Grants Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 19,510,303	\$	\$ 34,516	\$ 2,435,792	\$	\$ 3,144,364	\$ 25,124,975
Investments						1,452,011	1,452,011
Receivables	659,223	210,611	2,943,400	10,929		876,212	4,700,375
Due from other funds	3,416,101	49,122	65,493		2,436,709	1,745,500	7,712,925
Inventory						17,894	17,894
Total Assets	<u>\$ 23,585,627</u>	<u>\$ 259,733</u>	<u>\$ 3,043,409</u>	<u>\$ 2,446,721</u>	<u>\$ 2,436,709</u>	<u>\$ 7,235,981</u>	<u>\$ 39,008,180</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,020,397	\$	\$	\$ 70,621	\$	\$ 116	\$ 2,091,134
Due to other funds	5,946,138			2,223,405		1,110,995	9,280,538
Unearned revenue	67,175			152,695	2,436,709	334,333	2,990,912
Total liabilities	<u>8,033,710</u>	<u>-</u>	<u>-</u>	<u>2,446,721</u>	<u>2,436,709</u>	<u>1,445,444</u>	<u>14,362,584</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	399,562						399,562
Unavailable revenue - grants	5,823	210,612				348,196	564,631
Total deferred inflows of resources	<u>405,385</u>	<u>210,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,196</u>	<u>964,193</u>
Fund balances:							
Nonspendable						70,391	70,391
Restricted		49,121	3,043,409			1,847,757	4,940,287
Committed	8,621,323					3,586,976	12,208,299
Assigned	2,970,608						2,970,608
Unassigned	3,554,601					(62,783)	3,491,818
Total fund balances	<u>15,146,532</u>	<u>49,121</u>	<u>3,043,409</u>	<u>-</u>	<u>-</u>	<u>5,442,341</u>	<u>23,681,403</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,585,627</u>	<u>\$ 259,733</u>	<u>\$ 3,043,409</u>	<u>\$ 2,446,721</u>	<u>\$ 2,436,709</u>	<u>\$ 7,235,981</u>	<u>\$ 39,008,180</u>

(Continued on next page)

TOWN OF ELLINGTON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

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

Fund balances - total governmental funds (Exhibit III)	\$ 23,681,403
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 140,506,126	
Less accumulated depreciation	<u>(65,210,728)</u>	
Net capital assets		75,295,398

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

Property tax receivables greater than 60 days	399,562
Interest receivable on property taxes	111,874
Grant receivable greater than 60 days	564,631
Deferred outflows related to MERS	4,012,741
Deferred outflows related to LOSAP	239,687
Deferred outflows related to OPEB	1,435,131

Internal service funds are used by management to charge the costs of
risk management to individual funds. The assets and liabilities of
the internal service funds are reported with governmental activities
in the statement of net position.

465,389

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

Bonds payable	(14,505,000)
Unamortized premium on bonds payable	(764,179)
Obligations under capital lease	(1,369,588)
Interest payable on bonds	(56,736)
Total OPEB liability	(6,512,352)
Compensated absences	(1,061,868)
Total MERS liability	(8,987,144)
Total LOSAP liability	(897,855)
Deferred inflows related to MERS	(1,331,757)
Deferred inflows related to LOSAP	(15,462)
Deferred inflows related to OPEB	<u>(232,592)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 70,471,283</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Crystal Lake School Addition Renovation Fund	Small Cities Program Income Fund	Education Grants Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes, interest and lien fees	\$ 47,391,833	\$	\$	\$	\$	\$	\$ 47,391,833
Intergovernmental revenues	17,704,158	969,345		1,115,857		1,339,751	21,129,111
Charges for services	1,495,801						1,495,801
Investment income	20,175		139				20,314
Other	185,776					2,606,757	2,792,533
Total revenues	<u>66,797,743</u>	<u>969,345</u>	<u>139</u>	<u>1,115,857</u>	<u>-</u>	<u>3,946,508</u>	<u>72,829,592</u>
Expenditures:							
Current:							
General government	1,639,462					334,869	1,974,331
Boards and agencies	111,711						111,711
Public safety	3,135,802					369,855	3,505,657
Public works	4,098,906						4,098,906
Recreation	388,628						388,628
Library	675,577					23,256	698,833
Human services	711,627		70			77,331	789,028
Town properties	814,963						814,963
Education	46,478,424			1,115,857		2,908,644	50,502,925
Other	2,974,691						2,974,691
Debt service:							
Principal payments	2,213,072						2,213,072
Interest and fiscal charges	615,726						615,726
Capital outlay	2,413,735						2,413,735
Total expenditures	<u>66,272,324</u>	<u>-</u>	<u>70</u>	<u>1,115,857</u>	<u>-</u>	<u>3,713,955</u>	<u>71,102,206</u>
Excess (Deficiency) of Revenues over Expenditures	<u>525,419</u>	<u>969,345</u>	<u>69</u>	<u>-</u>	<u>-</u>	<u>232,553</u>	<u>1,727,386</u>
Other Financing Sources (Uses):							
Bonds issued		2,020,000				125,000	2,145,000
Capital lease	624,424						624,424
Premium on bonds issued		255,666				15,821	271,487
Refunding bonds issuance	3,200,000						3,200,000
Bond premium on refunding bonds	393,324						393,324
Payment to refunded bond escrow agent	(3,533,527)						(3,533,527)
Transfers in from other funds						47,025	47,025
Transfers out to other funds	(299,400)						(299,400)
Total other financing sources (uses)	<u>384,821</u>	<u>2,275,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,846</u>	<u>2,848,333</u>
Net Change in Fund Balances	910,240	3,245,011	69	-	-	420,399	4,575,719
Fund Balances at Beginning of Year, as restated	14,236,292	(3,195,890)	3,043,340	-	-	5,021,942	19,105,684
Fund Balances at End of Year	<u>\$ 15,146,532</u>	<u>\$ 49,121</u>	<u>\$ 3,043,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,442,341</u>	<u>\$ 23,681,403</u>

(Continued on next page)

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 4,575,719
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,287,420
Depreciation expense	(3,810,475)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	(52,461)
Change in interest receivable on property taxes	(9,089)
Grants collected after 60 days	(684,655)
Deferred outflows related to MERS	(666,098)
Deferred outflows related to LOSAP	70,456
Deferred outflows related to OPEB	(258,050)

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

Bonds issuance	(2,145,000)
Premium on bond issuance	(271,487)
Refunding bonds issuance	(3,200,000)
Premium on refunding bond issuance	(393,324)
Lease proceeds	(624,424)
Payment to bond escrow agent	3,533,527
Premium on refunded bonds	(63,527)
Principal payments on bonds payable	1,605,000
Principal payments on capital lease payable	638,465

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

Amortization of deferred charge on refunding	(41,662)
Amortization of premium	145,930
Accrued interest	8,358
Change in total OPEB liability	42,743
Change in long-term compensated absences	57,510
Change in net pension liability - MERS plans	(561,646)
Change in net pension liability - LOSAP plan	54,198
Deferred inflows related to MERS plans	(430,261)
Deferred inflows related to LOSAP plan	5,450
Deferred inflows related to OPEB	(48,773)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

	113,970
Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (122,186)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets:					
Current assets:					
Cash and cash equivalents	\$ 7,092,202	\$ 1,225,710	\$	\$ 8,317,912	\$ 177,699
Receivables, net	872,335	142,022	52,781	1,067,138	
Due from other funds	935,453	267,165	145,958	1,348,576	326,960
Total current assets	8,899,990	1,634,897	198,739	10,733,626	504,659
Noncurrent assets:					
Assessments receivable	427,506	719	38,183	466,408	
Capital assets, net of accumulated depreciation	5,947,839	3,025,436		8,973,275	
Total noncurrent assets	6,375,345	3,026,155	38,183	9,439,683	-
Total assets	15,275,335	4,661,052	236,922	20,173,309	504,659
Deferred Outflow of Resources					
Deferred charge on refunding	2,665			2,665	
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	529,999			529,999	39,270
Bonds payable - current	11,750			11,750	
Due to other funds			109,541	109,541	
Unearned revenue	43,377			43,377	
Total current liabilities	585,126	-	109,541	694,667	39,270
Noncurrent liabilities:					
Bonds payable after one year	600,732			600,732	
Total liabilities	1,185,858	-	109,541	1,295,399	39,270
Net Position:					
Net investment in capital assets	5,338,022	3,025,436		8,363,458	
Unrestricted	8,754,120	1,635,616	127,381	10,517,117	465,389
Total Net Position	\$ 14,092,142	\$ 4,661,052	\$ 127,381	\$ 18,880,575	\$ 465,389

The accompanying notes are an integral part of the financial statements

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues:					
User charges	\$ 2,551,230	\$ 226,672	\$	\$ 2,777,902	\$
Assessments	132,915	8,413		141,328	
Permits and fees	2,400	600		3,000	
Solid waste fees			692,487	692,487	
Employer contributions					183,463
Charges for services					381,795
Other	45,080	11,496		56,576	
Total operating revenues	<u>2,731,625</u>	<u>247,181</u>	<u>692,487</u>	<u>3,671,293</u>	<u>565,258</u>
Operating Expenses:					
Town of Vernon fees	1,547,587			1,547,587	
Town of Stafford fees		76,651		76,651	
Solid waste fees			628,249	628,249	
Depreciation and amortization	276,692	139,244		415,936	
Salaries and benefits	53,717	78,462		132,179	
Utilities	28,613	11,783		40,396	
Equipment	31,462	16,190		47,652	
Administration	30,583	3,398		33,981	
Engineering	38,630			38,630	
Repairs and maintenance	11,315	6,555		17,870	
Claims					674,288
Other	34,687			34,687	
Total operating expenses	<u>2,053,286</u>	<u>332,283</u>	<u>628,249</u>	<u>3,013,818</u>	<u>674,288</u>
Operating Income (Loss)	<u>678,339</u>	<u>(85,102)</u>	<u>64,238</u>	<u>657,475</u>	<u>(109,030)</u>
Nonoperating revenues (expenses):					
Income on investments	7,136	1,233		8,369	
Interest expense	(39,192)			(39,192)	
Total nonoperating revenues (expenses)	<u>(32,056)</u>	<u>1,233</u>	<u>-</u>	<u>(30,823)</u>	<u>-</u>
Income (Loss) Before Transfers	646,283	(83,869)	64,238	626,652	(109,030)
Transfers in	<u>29,375</u>			<u>29,375</u>	<u>223,000</u>
Change in Net Position	675,658	(83,869)	64,238	656,027	113,970
Net Position at Beginning of Year, as restated	<u>13,416,484</u>	<u>4,744,921</u>	<u>63,143</u>	<u>18,224,548</u>	<u>351,419</u>
Net Position at End of Year	<u>\$ 14,092,142</u>	<u>\$ 4,661,052</u>	<u>\$ 127,381</u>	<u>\$ 18,880,575</u>	<u>\$ 465,389</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 2,799,053	\$ 256,472	\$ 676,310	\$ 3,731,835	\$ 565,258
Payments to suppliers	(1,692,878)	(114,577)	(628,249)	(2,435,704)	(635,018)
Payments to employees	(53,717)	(78,462)		(132,179)	
Payments for interfund services used	(952,459)	(63,433)	(48,061)	(1,063,953)	(158,792)
Net cash provided by (used in) operating activities	99,999	-	-	99,999	(228,552)
Cash Flows from Noncapital Financing Activities:					
Transfers in from other funds	29,375			29,375	223,000
Net cash provided by (used in) noncapital financing activities	29,375	-	-	29,375	223,000
Cash Flows from Capital and Related Financing Activities:					
Interest paid	(39,192)			(39,192)	
Issuance of refunding bonds	560,000			560,000	
Premium on refunding bonds	52,482			52,482	
Payments to escrow agents	(602,665)			(602,665)	
Principal paid on bonds outstanding	(100,000)			(100,000)	
Net cash provided by (used in) capital and related financing activities	(129,375)	-	-	(129,375)	-
Cash Flows from Investing Activities:					
Interest on investments	7,136	1,233		8,369	
Net cash provided by (used in) investing activities	7,136	1,233	-	8,369	-
Net Increase (Decrease) in Cash and Cash Equivalents	7,135	1,233	-	8,368	(5,552)
Cash and Cash Equivalents at Beginning of Year	7,085,067	1,224,477	-	8,309,544	183,251
Cash and Cash Equivalents at End of Year	\$ 7,092,202	\$ 1,225,710	\$ -	\$ 8,317,912	\$ 177,699
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 678,339	\$ (85,102)	\$ 64,238	\$ 657,475	\$ (109,030)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	276,692	139,244		415,936	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	67,428	9,291	(16,177)	60,542	
Decrease in due from other funds			(48,061)	(48,061)	
Increase (decrease) in due to other funds	(369,598)			(369,598)	
Increase (decrease) in unearned revenue				-	
Increase (decrease) in accounts payable and accrued items	29,999			29,999	
(Increase) decrease in due from other funds	(582,861)	(63,433)		(646,294)	(158,792)
Increase (decrease) in claims payable				-	39,270
Total adjustments	(578,340)	85,102	(64,238)	(557,476)	(119,522)
Net Cash Provided by (Used in) Operating Activities	\$ 99,999	\$ -	\$ -	\$ 99,999	\$ (228,552)

The accompanying notes are an integral part of the financial statements

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	Pension Trust Fund (July 31, 2020)	Private Purpose Trust Funds
Assets:		
Cash and cash equivalents	\$ 125,281	\$ 60,605
Insurance contracts	1,164,584	
Due from other funds		1,618
	<u>1,289,865</u>	<u>62,223</u>
Total assets	<u>1,289,865</u>	<u>62,223</u>
Liabilities:		
Due to other funds		
Net Position:		
Restricted for Pension Benefits and Trust Purposes	\$ <u>1,289,865</u>	\$ <u>62,223</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ELLINGTON, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Pension Trust Fund (July 31, 2020)	Private Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 214,977	\$
Private		33,515
Other		3,124
Total contributions	<u>214,977</u>	<u>36,639</u>
Investment earnings:		
Interest	<u>32,271</u>	<u>45</u>
Total additions	<u>247,248</u>	<u>36,684</u>
Deductions:		
Benefits	<u>89,049</u>	<u>19,001</u>
Total deductions	<u>89,049</u>	<u>19,001</u>
Change in Net Position	158,199	17,683
Net Position at Beginning of Year	<u>1,131,666</u>	<u>44,540</u>
Net Position at End of Year	<u>\$ 1,289,865</u>	<u>\$ 62,223</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Ellington, Connecticut (the Town) was incorporated in 1786. It operates under an elected, seven-member Board of Selectmen and an elected, six-member Board of Finance form of government and provides the following services: public safety (police, ambulance and fire), public works, recreation, library, human services, education and general government.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, including presenting fiscal operating budgets for Town Meeting approval.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Unit

The Town has established a single-employer Length of Service Award Program (LOSAP) to provide retirement benefits to active volunteer firefighters of the Crystal Lake Fire Department and the Ellington Fire Department. The Town appoints a majority of the Pension Board and is required to make contributions to the pension plan and can impose its will.

The financial statements of the fiduciary component unit are reported as a Pension Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

Related Organizations

The Board of Selectmen is responsible for appointing members to the Board of the Housing Authority of the Town of Ellington, but the Town's accountability for the Housing Authority does not extend beyond making the appointments.

The Board of Selectmen is also responsible for appointing a Board member to the Town's regional group for public health, the North Central District Health Department, but the Town's accountability for the Health Department does not extend beyond making the appointment.

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town's primary government. For the most part, the effect of interfund activity has been eliminated within these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

The Town reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Crystal Lake School Addition/Renovation Fund* accounts for funds used in the addition to and renovation of the Crystal Lake School.
- The *Small Cities Program Income Fund* accounts for activities related to housing rehabilitation loans.
- The *Education Grants Fund* accounts for Federal and State education grants.
- The *ARPA Fund* accounts for the American Rescue Plan Act of 2021 grant.

The Town reports the following major enterprise funds:

- The *Sewer Authority Fund* accounts for all sewer use activities and assessments in the Hockanum river section of the Town.
- The *Crystal Lake Sewers Fund* accounts for all sewer use activities and assessments in the Crystal Lake section of the Town.

Additionally, the Town reports the following fund types:

- The *Internal Service Funds* are used to account for the Board of Education's self-insured medical and dental programs.
- The *Pension Trust Fund* is used to account for resources held in trust for participants in the Town's volunteer firefighters' LOSAP.
- The *Private Purpose Trust Funds* are used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments.

C. Cash and Cash Equivalents

The Town's cash and cash equivalents consist of all cash on hand, checking, savings, money market accounts and certificates of deposit with an original maturity of 90 days or less.

D. Investments

Investments are stated at fair value.

E. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

The Town provides low interest loans in connection with the Town's small business and residential housing rehabilitation loan programs. Loans made by the Town under the program bear an interest rate of 0% and repayment of the loans is deferred. These loans become due and payable only upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The Town records loans receivable at the time the loan proceeds are advanced, and such amounts are reported net of an allowance for uncollectible amounts.

G. Capital Assets

Capital assets, which include arts collection, property development rights, land, construction in progress, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

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

Assets	Years
Infrastructure	50
Building and improvements	40
Vehicles	5-10
Equipment	3-7

H. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources for pension and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

Both the Town and Board of Education employees accumulate compensated leave balances for subsequent use or for payment upon termination or retirement. The Town employees can accumulate vacation time and the Board of Education employees can accumulate both vacation time and sick leave. Compensated absences are accrued when incurred in the government-wide, proprietary or fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

K. Total Other Postemployment Benefits Other than Pensions Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

L. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted

This component of net position consists of amounts that do not meet the definition of "restricted" or "net investment in capital assets."

TOWN OF ELLINGTON, CONNECTICUT
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The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable

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

Restricted

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

Committed

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Ellington Board of Finance). Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

Assigned

This includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance that has been delegated authority to assign amounts by the Town Charter.

Unassigned

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

N. Property Taxes

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. A lien is placed on the property if real estate taxes are unpaid as of May 15 following the payable date. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

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

O. Sewer User Charges and Assessments

User charges and assessments are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Upon completion of sewer projects, sewer assessments are levied and assessed to the users. The Town establishes an allowance for doubtful accounts based on historical collections, experience and other factors.

P. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 3, 2021.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is prepared by the Board of Finance and employed for management control of the General Fund.

The budget is adopted via Town Meeting. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements:

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a public budget hearing, at which taxpayer comments are obtained. The Board of Finance then prepares the recommended Town budget, which it presents at the annual Town Meeting held on the second Tuesday in May. The operating budget includes proposed expenditures and the means of financing them.
- Expenditures are budgeted by function, department and object. Management may not exceed appropriations at the department level and must seek approval from the Board of Finance to reassign resources within a department, except for the Board of Education. The Board of Education may reassign resources within its department without seeking Board of Finance approval.
- The legal level of budgetary control (the level at which expenditures may not exceed appropriations) is the object level, except for the Board of Education, which is the department level. The Board of Finance is authorized to transfer budgeted amounts within and between departments and objects.
- Additional appropriations of less than one half of one percent of the total annual budget must be approved by the Board of Finance. Appropriations in excess of one half of one percent of the total annual budget must be approved at a Town Meeting. During the year, the Board of Finance and, where required, Town Meeting(s), approved additional appropriations of \$343,155.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Intergovernmental and other reimbursement for certain special education costs are recorded as reductions to expenditures for budgetary purposes, and "on-behalf" payments made by the State of Connecticut into the State Teachers' Retirement System are not recorded for budgetary purposes.

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- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures of the current year.
- All unexpended appropriations lapse at year end, except capital projects.

B. Deficit Fund Equity

For the year ended June 30, 2021, the following funds had deficit balances:

Nonmajor Governmental Funds:	
Special Revenue Fund:	
Small Cities Rehabilitation 17 Fund	\$ (2,624)
Windermere School Alterations Fund	(60,159)
Nonmajor Enterprise Funds:	
Watermains Tripp and Middle Roads Fund	(71,358)

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

C. Expenditures Exceeding Appropriations

During the year ended June 30, 2021, the following line items had overexpended appropriations:

	<u>Final Appropriations</u>	<u>Expenditures, Encumbrances and Other Financing Uses</u>	<u>Balance Overexpended</u>
Capital Outlays	\$ 1,704,170	\$ 1,728,030	\$ (23,860)

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$5,947,260 of the Town's bank balance of \$6,476,565 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,302,534
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>644,726</u>
Total Amount Subject to Custodial Risk	<u><u>\$ 5,947,260</u></u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2021, the Town's cash equivalents amounted to \$27,177,414. The following table provides summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor's
State of Connecticut Short-Term Investment Fund	AAAm
People's United Bank	*
Empire Bank	*

* Not Rated

TOWN OF ELLINGTON, CONNECTICUT
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Investments

As of June 30, 2021, the Town had the following investments:

Investment Type	Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More than 10
Interest-bearing investments:				
U.S. Government Securities	\$ 89,709	\$	\$ 89,709	\$
U.S. Government Agencies	164,933	40,492	124,441	
Corporate Bonds	<u>233,153</u>		<u>233,153</u>	
Total	487,795	<u>\$ 40,492</u>	<u>\$ 447,303</u>	<u>\$ -</u>
Other investments:				
Mutual Funds	\$ 666,825			
Common Stock	297,391			
Insurance Contracts	<u>1,164,584</u>			
Total Investments	<u>\$ 2,616,595</u>			

Investment Custodial Credit Risk

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

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.

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies
Aaa	\$ 21,871	\$ 89,709	\$ 164,933
Aa2	21,610		
Aa3	32,566		
A1	44,226		
A2	37,458		
A3	38,068		
Baa1	16,264		
Baa2	<u>21,090</u>		
	<u>\$ 233,153</u>	<u>\$ 89,709</u>	<u>\$ 164,933</u>

TOWN OF ELLINGTON, CONNECTICUT
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Concentration of Credit Risk

The Town places no limit on the amount invested in any one issuer. As of June 30, 2021, 100% of the investments of the Volunteer Firefighters' Length of Service Award Program were invested in an insurance contract held with First Security Benefit Life Insurance and Annuity Company of New York. Fully guaranteed insurance contracts totaled \$1,164,584.

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.

The Pension Trust Fund is also 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.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements).

The Town has the following recurring fair value measurements as of June 30, 2021:

	<u>June 30, 2021</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 89,709	\$ 89,709	\$	\$
U.S. Government Agencies	164,933	164,933		
Corporate Bonds	233,153		233,153	
Common Stock	297,391	297,391		
Mutual Funds	<u>666,825</u>	<u>666,825</u>		
Total Investments by Fair Value Level	<u>1,452,011</u>	<u>\$ 1,218,858</u>	<u>\$ 233,153</u>	<u>\$ -</u>
Investments not recorded at fair value:				
Insurance contracts	<u>1,164,584</u>			
Total Investments	<u>\$ 2,616,595</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The insurance contract is valued at cost.

TOWN OF ELLINGTON, CONNECTICUT
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Donor-Restricted Endowments

The original principal received remains in the net position on the statement of net position and is restricted for the trust principal, and in nonspendable fund balance on the balance sheet - governmental funds. The net appreciation on investments available for expenditures is included in unrestricted net position on the statement of net position, and in committed fund balance on the balance sheet - governmental funds, and is spent based on the original criteria established by the trust. The Town's policy is to spend only investment income for the purposes of the trust.

The Town has interpreted the Connecticut Prudent Management of Institutional Funds Act (CTPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Town classifies as nonspendable fund balance (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in nonspendable fund balance is classified as committed fund balance until those amounts are appropriated for expenditure by the Town in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, the Town considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the organization and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Town; the investment policies of the Town.

B. Receivables

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

	General Fund	Crystal Lake School Addition Renovation Fund	Small Cities Program Income Fund	Education Grants Fund	Sewer Authority Fund	Crystal Lake Sewers Fund	Nonmajor and Other Funds	Total
Property taxes receivable	\$ 497,775	\$	\$	\$	\$	\$	\$	\$ 497,775
Interest on property taxes								-
Sewer usage					704,244	86,643		790,887
Assessments					141,728	48,906		190,634
Solid waste							52,781	52,781
Grants and contracts	25,520	210,611		10,929			553,554	800,614
Loans			2,943,400				199,769	3,143,169
Other	158,605				30,369	7,332	122,889	319,195
Less allowance for uncollectible accounts	(22,677)				(4,006)	(859)		(27,542)
Net Accounts Receivable	\$ 659,223	\$ 210,611	\$ 2,943,400	\$ 10,929	\$ 872,335	\$ 142,022	\$ 928,993	\$ 5,767,513

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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C. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Arts collection	\$ 35,598	\$	\$	\$ 35,598
Property development rights	817,877			817,877
Land	3,056,666			3,056,666
Total capital assets not being depreciated	<u>3,910,141</u>	<u>-</u>	<u>-</u>	<u>3,910,141</u>
Capital assets being depreciated:				
Buildings and improvements	102,793,650	808,292		103,601,942
Machinery, equipment and vehicles	14,946,719	741,128		15,687,847
Infrastructure	16,568,196	738,000		17,306,196
Total capital assets being depreciated	<u>134,308,565</u>	<u>2,287,420</u>	<u>-</u>	<u>136,595,985</u>
Less accumulated depreciation for:				
Buildings and improvements	44,089,412	2,893,258		46,982,670
Machinery, equipment and vehicles	12,732,165	575,078		13,307,243
Infrastructure	4,578,676	342,139		4,920,815
Total accumulated depreciation	<u>61,400,253</u>	<u>3,810,475</u>	<u>-</u>	<u>65,210,728</u>
Total capital assets being depreciated, net	<u>72,908,312</u>	<u>(1,523,055)</u>	<u>-</u>	<u>71,385,257</u>
Governmental Activities Capital Assets, Net	<u>\$ 76,818,453</u>	<u>\$ (1,523,055)</u>	<u>\$ -</u>	<u>\$ 75,295,398</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment - Sewer Authority	\$ 222,854	\$	\$	\$ 222,854
Infrastructure - Sewer Authority	13,282,683			13,282,683
Infrastructure - Watermains	162,015			162,015
Equipment - Crystal Lake	23,135			23,135
Infrastructure - Crystal Lake	6,962,205			6,962,205
Total capital assets being depreciated	<u>20,652,892</u>	<u>-</u>	<u>-</u>	<u>20,652,892</u>
Less accumulated depreciation for:				
Equipment - Sewer Authority	222,854			222,854
Infrastructure - Sewer Authority	7,058,152	276,692		7,334,844
Infrastructure - Watermains	162,015			162,015
Equipment - Crystal Lake	23,135			23,135
Infrastructure - Crystal Lake	3,797,525	139,244		3,936,769
Total accumulated depreciation	<u>11,263,681</u>	<u>415,936</u>	<u>-</u>	<u>11,679,617</u>
Total capital assets being depreciated, net	<u>9,389,211</u>	<u>(415,936)</u>	<u>-</u>	<u>8,973,275</u>
Business-type Activities Capital Assets, Net	<u>\$ 9,389,211</u>	<u>\$ (415,936)</u>	<u>\$ -</u>	<u>\$ 8,973,275</u>

TOWN OF ELLINGTON, CONNECTICUT
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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 810,829
Public safety	493,580
Public works	662,579
Library	19,049
Education	<u>1,824,438</u>
Total Depreciation Expense - Governmental Activities	\$ <u>3,810,475</u>
Business-type activities:	
Sewer	\$ <u>415,936</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>415,936</u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Education Grants	\$ 2,223,405
	Nonmajor Enterprise	109,541
	Nonmajor Governmental Funds	<u>1,083,155</u>
		3,416,101
Crystal Lake School Addition Renovation Fund	General Fund	49,122
Small Cities Program Income Fund	General Fund	37,653
	Nonmajor Governmental Funds	27,840
ARPA	General Fund	2,436,709
Nonmajor Enterprise	General Fund	145,958
Sewer Authority	General Fund	935,453
Crystal Lake Sewers Fund	General Fund	267,165
Private Purpose Trust	General Fund	1,618
Nonmajor Governmental Funds	General Fund	1,745,500
Internal Service Funds	General Fund	<u>326,960</u>
Total		\$ <u>9,390,079</u>

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

TOWN OF ELLINGTON, CONNECTICUT
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The transfers that occurred during the year are as follows:

	Transfers In			
	Nonmajor Governmental Funds	Sewer Enterprise Fund	BOE Medical Self Insurance	Total Transfers
Transfers out:				
General Fund	\$ 47,025	\$ 29,375	\$ 223,000	\$ 299,400

Transfers are used to move funds from the General Fund to the other funds in accordance with budget authorizations. Transfers from the General Fund to the nonmajor business-type funds in the current year were a result of interest payments on long-term debt.

E. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 13,280,000	\$ 5,345,000	\$ 4,935,000	\$ 13,690,000	\$ 1,658,250
General obligation bonds - direct placement	955,000		140,000	815,000	140,000
Unamortized premium	245,298	664,811	145,930	764,179	
Total bonds payable	14,480,298	6,009,811	5,220,930	15,269,179	1,798,250
Capital leases	1,383,629	624,424	638,465	1,369,588	
Compensated absences	1,119,378	54,490	112,000	1,061,868	
Net pension liability - LOSAP	952,053		54,198	897,855	
Net pension liability - MERS	8,425,498	561,646		8,987,144	
Total OPEB liability	6,555,095		42,743	6,512,352	295,643
Total Governmental Activities					
Long-Term Liabilities	\$ 32,915,951	\$ 7,250,371	\$ 6,068,336	\$ 34,097,986	\$ 2,093,893

For the governmental activities, compensated absences, net pension liability and total OPEB liability are generally liquidated by the General Fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Bonds payable:					
General obligation bonds	\$ 700,000	\$ 560,000	\$ 700,000	\$ 560,000	\$ 11,750
Premium on bonds		52,482		52,482	
Total Business-type Activities					
Long-Term Liabilities	\$ 700,000	\$ 612,482	\$ 700,000	\$ 612,482	\$ 11,750

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General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2021</u>
Governmental Activities					
General obligation	2011	9/15/23	2-4.0%	\$ 8,240,000	\$ 710,000
General obligation	2013	9/15/33	2-4.0%	4,205,000	215,000
General obligation	2015	6/15/35	2-4.0%	10,630,000	7,420,000
General obligation	2021	9/15/40	2-4.0%	5,345,000	5,345,000
Direct placement:					
General obligation	2017	6/15/27	2.06%	1,375,000	815,000
Total governmental activities					<u>14,505,000</u>
Business-Type Activities					
General obligation	2021	9/15/34	3-4.0%	560,000	<u>560,000</u>
Total Outstanding					<u>\$ 15,065,000</u>

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

General Obligation

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,658,250	\$ 415,557	\$ 11,750	\$ 15,580
2023	1,468,750	406,504	146,250	18,203
2024	1,133,000	354,469	87,000	13,538
2025	873,750	314,334	41,250	10,973
2026	873,750	284,684	41,250	9,323
2027-2031	4,057,750	989,474	152,250	26,183
2032-2036	3,099,750	323,834	80,250	3,566
2037-2041	<u>525,000</u>	<u>39,375</u>		
	<u>\$ 13,690,000</u>	<u>\$ 3,128,231</u>	<u>\$ 560,000</u>	<u>\$ 97,366</u>

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Direct Placement

		<u>Governmental Activities</u>	
		<u>General Obligation Bonds</u>	
		<u>Principal</u>	<u>Interest</u>
2022	\$	140,000	\$ 16,789
2023		135,000	13,905
2024		135,000	11,124
2025		135,000	8,343
2026		135,000	5,562
2027		135,000	2,781
		<u>\$ 815,000</u>	<u>\$ 58,504</u>

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2021 to the following:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 104,423,342	\$ 5,009,000	\$ 99,414,342
Schools	208,846,683	10,298,812	198,547,871
Sewers	174,038,903	560,000	173,478,903
Urban renewal	150,833,716		150,833,716
Pension deficit	139,231,122		139,231,122

Total debt outstanding may not exceed seven times annual receipts from taxation of \$311,050,327.

General Obligation Bonds-Advance Refunding

On June 22, 2021, the Town issued \$5,905,000 of general obligation bonds (new money \$2,145,000 and a refunding portion \$3,760,000) with interest rates ranging from 3% to 4% to currently refund portions of the outstanding principal amounts of \$600,000 General Obligation Bonds, dated June 15, 2007, \$1,015,000 General Obligation Bonds, dated August 29, 2011, \$2,455,000 General Obligation Bonds, dated September 15, 2013.

The refunding portion of the net proceeds of \$3,760,000 (including a premium of \$445,806, and issuance costs of \$107,125 including underwriter's fees) will reduce total debt service payments over the next 12 years by \$310,000 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$430,135. As a result, the refunded bonds are considered defeased and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue which were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$4,136,192 at June 30, 2021. The outstanding balance of the defeased bonds as of June 30, 2021 is \$4,070,000.

TOWN OF ELLINGTON, CONNECTICUT
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Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2021 is \$802,812. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Capital Leases

The Town has entered into separate lease agreements as lessee for public safety equipment, public works equipment and Board of Education computers. These lease agreements qualify as capital leases for accounting purposes (title transfers at end of lease terms) and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Asset:		
Machinery, equipment and vehicles	\$	2,442,004
Less accumulated depreciation		<u>718,196</u>
Total	\$	<u><u>1,723,808</u></u>

The following is a schedule of future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2021:

<u>Fiscal Year Ending June 30,</u>		
2022	\$	617,061
2023		390,031
2024		220,274
2025		<u>220,274</u>
Total future minimum lease payments		1,447,640
Less Interest on future lease payments		<u>(78,052)</u>
Principal Balance of Future Minimum Payments	\$	<u><u>1,369,588</u></u>

TOWN OF ELLINGTON, CONNECTICUT
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F. Fund Balance

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	General Fund	Crystal Lake School Addition Renovation Fund	Small Cities Program Income Fund	Nonmajor Governmental Funds	Total
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 17,894	\$ 17,894
Endowments				52,497	52,497
Restricted for:					
Small Cities rehabilitation loan program			3,043,409	177,470	3,220,879
Education				353,812	353,812
Special reserves - external				1,316,475	1,316,475
Capital projects		49,121			49,121
Committed to:					
General government				171,438	171,438
Capital reserves	6,138,650				6,138,650
Capital and nonrecurring reserves	697,512				697,512
Road projects				27,349	27,349
OPEB	1,583,774				1,583,774
Land acquisition				525,637	525,637
Road repair and sidewalk				24,170	24,170
Public safety				316,221	316,221
Education	150,000			1,694,449	1,844,449
Culture and recreation programs				60,835	60,835
Sanitation	51,387				51,387
Library				553,389	553,389
Various capital projects				213,488	213,488
Assigned to:					
Public works encumbrances	23,860				23,860
Use in subsequent budget	2,946,748				2,946,748
Unassigned	3,554,601			(62,783)	3,491,818
Total Fund Balances	\$ 15,146,532	\$ 49,121	\$ 3,043,409	\$ 5,442,341	\$ 23,681,403

Major encumbrances are reported in the assigned fund balance of the General Fund totaling \$23,860.

4. EMPLOYEE RETIREMENT PLANS

A. Defined Contribution Money Purchase Plan

The Town provides retirement benefits for full-time and part-time eligible employees of the Town through a noncontributory money purchase plan. Employees are eligible to participate from the date of employment. The Town's contributions for each employee (and interest allocated to the employee's account) are fully vested from the date of employment. The Town is required to contribute 7.1% of the payroll of active employees. In addition, the Town matches employee contributions up to an additional 4.64% of the employee's salary.

The Town's contribution amounted to \$458,136 the year ended June 30, 2021. All monies contributed are used to purchase insurance contracts on-behalf of the participants, therefore, the assets of the plan are not included in the Town's basic financial statements.

TOWN OF ELLINGTON, CONNECTICUT
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B. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan (the Plan) in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits employees to defer a portion of their salary until future years. Employee deferrals totaled \$192,065 for the year ended June 30, 2021. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust for the exclusive benefit of the plan participants and their beneficiaries. Accordingly, the assets of the Plan are not included in the Town's basic financial statements.

C. Volunteer Firefighters' Length of Service Award Program

The Town sponsors a defined benefit LOSAP for active volunteer firefighters of the Crystal Lake Fire Department and the Ellington Fire Department. The program was established pursuant to Connecticut General Statutes and provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters.

Plan Description and Benefits Provided

Active volunteer firefighters who have reached the age of 17 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65.

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$8.00 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed 35 years. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program also provides certain death and disability benefits on some active participants, which is provided through a group term life insurance policy.

The Town funds the plan based on an actuarial recommended contribution, which includes the current year cost plus a payment to amortize the unfunded liability. The plan actuarial required contribution for the year was between \$53,691 and \$86,968. The Town contributed \$214,977 to the plan for the year ended June 30, 2021.

At August 1, 2020, plan membership consisted of the following:

Entitled participants	48
Inactive participants with deferred benefits	97
Active participants	<u>79</u>
Total Participants	<u><u>224</u></u>

Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the LOSAP. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

TOWN OF ELLINGTON, CONNECTICUT
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Method Used to Value Investments

Investments are reported at fair value. Investments in insurance contracts are measured at contract value, which approximates fair value. Investment income is recognized as earned.

Investment Policy

The allocation of invested assets for the LOSAP is developed by Town management and the investment advisor. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Rate of Return

For the year ended July 31, 2020, the annual money-weighted rate of return on pension investments, net of pension plan investment expense, was 3.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

The components of the net pension liability of the Town at July 31, 2020 were as follows:

Total LOSAP liability	\$ 2,187,720
Plan fiduciary net position	<u>1,289,865</u>
Net LOSAP liability	<u>\$ 897,855</u>
Plan fiduciary net position as a percentage of the total LOSAP liability	58.96%

Actuarial Assumptions

The total pension liability was measured as of July 31, 2020 and it was determined by an actuarial valuation as of August 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return, including inflation	4.00%
Discount rate	3.86%

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Insurance contract	<u>100 %</u>	5.00 %
Total	<u>100 %</u>	

TOWN OF ELLINGTON, CONNECTICUT
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Changes in the Net Pension Liability

Volunteer Firefighter's LOSAP			
	Increase (Decrease)		
	Total LOSAP Liability	Plan Fiduciary Net Position	Net LOSAP Liability
	(a)	(b)	(a)-(b)
Balance as of August 1, 2019	\$ 2,083,719	\$ 1,131,666	\$ 952,053
Changes for the year:			
Service cost	27,489		27,489
Interest on total pension liability	85,458		85,458
Difference between expected and actual experience	(26,343)		(26,343)
Effect of assumption changes or inputs	106,446		106,446
Employer contributions		214,977	(214,977)
Net investment income		32,271	(32,271)
Benefit payments, including refund to employee contributions	(89,049)	(89,049)	-
Net changes	104,001	158,199	(54,198)
Balance as of July 31, 2020	\$ 2,187,720	\$ 1,289,865	\$ 897,855

Discount Rate

The discount rate used to measure the total pension liability was 3.86%. 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 actuarially determined contribution rate. For this purpose, only Town contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the LOSAP's fiduciary net position was projected to be depleted prior to making 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 up to the depletion date and the municipal bond rate was applied to all periods after the depletion date 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, calculated using the current discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Employee's Net Pension Liability	\$ 1,248,000	\$ 897,855	\$ 615,000

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

For the year ended June 30, 2021, the Town recognized pension expense of \$72,854 and reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 15,462
Changes of assumptions	106,440	
Net difference between projected and actual earning on pension plan investments	25,951	
Town contributions subsequent to the measurement date	<u>107,296</u>	
Total	\$ <u>239,687</u>	\$ <u>15,462</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30

2022	\$ 19,136
2023	19,136
2024	16,867
2025	13,816
2026	10,751
Thereafter	<u>37,223</u>
	\$ <u>116,929</u>

D. Municipal Employees' Retirement System

Plan Description

All full-time employees participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

Benefit Provisions

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

Normal Retirement

For members not covered by Social Security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by Social Security, retirement benefits are calculated as 1½% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation, and the minimum benefit is \$1,000 annually.

Early Retirement

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Benefits are deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement - Service Connected

This applies to employees who are totally and permanently disabled, and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability.

Disability Retirement - Non-Service Connected

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Pre-Retirement Death Benefit

The plan offers a lump-sum return of contributions with interest, or, if vested and married, the surviving spouse will receive a lifetime benefit.

Contributions

Member

Contributions for members not covered by Social Security are 5% of compensation; for members covered by Social Security, 2¼% of compensation up to the Social Security taxable wage base plus 5%, if any, in excess of such base.

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Employer

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

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

At June 30, 2021, the Town reports a liability of \$8,987,144 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at June 30, 2020. The actuarial assumptions used in the June 30, 2020 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2021, the Town's proportion was 0.81%. The decrease in proportion from the prior year was 0.009%.

For the year ended June 30, 2021, the Town recognized pension expense of \$2,269,059. At June 30, 2021, the Town reported deferred outflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 943,121	\$
Change in proportionate share	256,840	182,796
Change of assumptions	1,479,724	
Net difference between projected and actual actuarial experience	595,422	1,148,961
Town contributions subsequent to the measurement date	<u>737,634</u>	
Total	\$ <u><u>4,012,741</u></u>	\$ <u><u>1,331,757</u></u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30

2022	\$ 926,929
2023	1,046,473
2024	(102,075)
2025	<u>72,023</u>
	\$ <u><u>1,943,350</u></u>

TOWN OF ELLINGTON, CONNECTICUT
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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement period:

Inflation	2.50%
Salary increase	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on:

RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

Future cost-of-living adjustments (COLA) for members who retire on or after January 1, 2002 are 60% of the annual increase in the Consumer Price Index (CPI) up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

The long-term expected rate of return on pension plan investments was determined using a statistical 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. Best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond fund	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
Total	100.0%	

TOWN OF ELLINGTON, CONNECTICUT
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Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 employer 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 following presents the Town's proportionate share of the net pension liability, calculated using the current discount rate, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the Net Pension Liability	\$ 12,807,597	\$ 8,987,144	\$ 5,786,292

E. Connecticut Teachers Retirement System - Pension

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

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Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

For the year ended June 30, 2021 the amount of "on-behalf" contributions made by the State was \$5,716,481 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>89,122,783</u>
Total	\$	<u><u>89,122,783</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net pension liability.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

For the year ended June 30, 2021, the Town recognized pension expense and revenue of \$12,766,416 in Exhibit II.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the CPI, with a minimum of 3% and a maximum of 5% per annum.

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

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>
Domestic Equity Fund	5.60 %	20.00 %
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00 %</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

5. OTHER POST-EMPLOYMENT BENEFIT PLANS

A. Town and Board of Education Program

Plan Description

The Town provides eligible retirees and their spouses with OPEB Program for medical and dental coverage through the Town's group health insurance plans, which cover both active and retired members. Benefit and contribution provisions are established through negotiations between the Town and the union representing Town employees, and are renegotiated between three-year and five-year bargaining periods.

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2021, the Town has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

Funding Policy

Participant contribution requirements are established and may be amended through negotiations between the Town and the respective labor union. Board of Education employees age 55 with 5 or more consecutive years of service or any age with 25 years of service in the Ellington school system are eligible to receive benefits. Town employees with 25 or more years of service, and age plus service greater than or equal to 75 years, are eligible to receive benefits. Board of Education retirees contribute 100% towards dental and medical premiums. For nonunion employees, the Town contributes 100% of the premium cost for retiree's health and dental insurance coverage. For Town Hall employees, the Town contributes 85% towards pre-age 65 retiree medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after December 4, 2008 are not eligible for any post-employment premium cost share by the Town. For public works department employees, the Town contributes 85% towards pre-age 65 retiree and medical and dental premiums and 100% of the premium cost for Medicare and dental coverage for retirees age 65 and older. Employees hired on or after September 28, 2009 are not eligible for any post-employment premium cost share by the Town.

At July 1, 2020, plan membership consisted of the following:

Retirees, beneficiaries, and dependents currently receiving benefits	51
Active participants	<u>468</u>
	<u><u>519</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$6,512,352 was measured as of June 30, 2021 and was determined by an actuarial valuation dated July 1, 2020 rolled forward to June 30, 2021.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation rate	2.50%
Discount rate	2.16%
Medical trend rates	7.00% decreasing to an ultimate rate of 5.00%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index as of the measurement date. This represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates were based on PUB-2010 head-weighted projected generationally with scale MP-2020. Other significant assumptions were as follows:

- 85.0% of the current Town active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.
- 30.0% of the current school active employees covered under the active plan on the day before retirement would enroll in the retiree medical plan upon retirement.
- 50.0% of the male and 50.0% of the female employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of July 1, 2020	\$ <u>6,555,095</u>
Changes for the year:	
Service cost	150,622
Interest on total OPEB liability	142,646
Changes of benefit terms	
Differences between expected and actual experience	(45,467)
Changes in assumptions or other inputs	(22,665)
Benefit payments	<u>(267,879)</u>
Net changes	<u>(42,743)</u>
Balance as of June 30, 2021	\$ <u><u>6,512,352</u></u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ <u>7,638,612</u>	\$ <u>6,512,352</u>	\$ <u>5,615,491</u>

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

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

	1% Decrease (6.00% decreasing to 4.00%)	Trend Rates (7.00% decreasing to 5.00%)	1% Increase (8.00% decreasing to 6.00%)
Total OPEB Liability	\$ <u>5,567,438</u>	\$ <u>6,512,352</u>	\$ <u>7,731,570</u>

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$531,959. At June 30, 2021, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 253,316	\$ 72,763
Changes in assumptions	<u>1,181,815</u>	<u>159,829</u>
Total	\$ <u>1,435,131</u>	\$ <u>232,592</u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2022	\$ 238,691
2023	238,859
2024	248,208
2025	271,105
2026	192,982
Thereafter	<u>12,694</u>
	<u>\$ 1,202,539</u>

B. Other Post Employment Benefit - Connecticut State Teachers Retirement Plan

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools, plus professional employees at State Schools of higher education, are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost-sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

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

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

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

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

Normal Retirement

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

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

For the year ended June 30, 2021, the amount of "on-behalf" contributions made by the State was \$137,959 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

At June 30, 2021, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>13,292,666</u>
Total	\$	<u><u>13,292,666</u></u>

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2021, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$614,020 in Exhibit II.

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	5.125% for 2020, decreasing to an ultimate Rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Other Information

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

6. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties except for workers' compensation and Liability-Automobile-Property insurance, for which the Town participates in risk-sharing pools. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2021.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automotive-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 32 and 40 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

The Town has chosen to retain the risks for Board of Education employee dental claims (BOE Dental Self-Insurance Fund). This fund is reported as an Internal Service Fund.

The claims liability of \$39,270 for the BOE Dental Self-Insurance Fund, reported at June 30, 2021, is based on estimated claims incurred but not reported. The changes in the claim liability was as follows:

			Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,	Due Within One Year
	Liability July 1,					
<u>BOE Dental Self-Insurance</u>						
2020 - 2021	\$	-	\$ 384,132	\$ 344,862	\$ 39,270	\$ 39,270
2019 - 2020			278,518	278,518	-	

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

B. Contingent Liabilities

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

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

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

7. RESTATEMENT

The Town previously reported the activities of the Student Activity Funds, Education Funds, COBRA Reimbursement, Construction Performance Bonds, and Flexible Spending Plan as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the Town made the following reporting changes: The activities of the Construction Performance bonds are reported with the general fund activities, the Student Activity Funds, Education Funds and Flexible Spending Plan are reported as a special revenue funds, and the COBRA Reimbursement is reported in the Internal Service Fund. Accordingly, the Town increased the beginning assets and liabilities of the General Fund by \$199,762, and thus no effect to the beginning fund balance. The funds now reported as special revenue funds are increased assets and fund balance by \$503,913. The Internal Service cash and net position is increasing \$183,251. Additionally, the Town reclassified some of their private purpose trust funds to special revenue funds in the amount of \$506,991. Furthermore, the Town reassessed the receivables in the Sewer Authority Fund and Crystal Lake Sewers Fund and restated net position for the unbilled amount. Accordingly, the Town restated beginning balances of the assets, liabilities, fund balance and net position as follows:

	Governmental Activities Net Position	Business Type Net Position	Nonmajor Governmental Funds Fund Balance	Internal Service Fund	Sewer Authority Fund	Crystal Lake Sewers Fund
Governmental/Business-Type Funds:						
Balance as previously reported June 30, 2020	\$ 69,399,314	\$ 17,655,063	\$ 4,179,206	\$ -	\$ 12,903,555	\$ 4,688,365
Adjustment for GASB 84:						
Student Activity Funds now reported as a Special Revenue Fund	348,966		348,966			
Education Funds now reported as a Special Revenue Fund	135,117		135,117			
COBRA Reimbursement now reported in the Internal Service Fund	183,251			183,251		
BOE Dental fund now reported as an Internal Service Fund			(168,168)	168,168		
Flexible Spending Plan now reported as a Special Revenue Fund	19,830		19,830			
Various private purpose trust funds now reported as Special Revenue Funds	506,991		506,991			
Adjustment for unbilled receivables:						
Unbilled receivable		569,485			512,929	56,556
Balance as restated July 1, 2020	\$ <u>70,593,469</u>	\$ <u>18,224,548</u>	\$ <u>5,021,942</u>	\$ <u>351,419</u>	\$ <u>13,416,484</u>	\$ <u>4,744,921</u>

TOWN OF ELLINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Fiduciary Funds:	Agency Funds	Private Purpose Trust Funds
Balance as previously reported June 30, 2020	\$ 886,926	551,531
Adjustments:		
Student Activity Funds now reported as a Special Revenue Fund	(348,966)	
Education Funds now reported as a Special Revenue Fund	(135,117)	
Construction Performance Bonds now reported in the General Fund	(199,762)	
COBRA Reimbursement now reported in the Internal Service Fund	(183,251)	
Flexible Spending Plan now reported as a Special Revenue Fund	(19,830)	
Various private purpose trust funds now reported as Special Revenue Funds		(506,991)
Balance as restated July 1, 2020	\$ <u>-</u>	\$ <u>44,540</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWN OF ELLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxation:				
Current year levy	\$ 46,251,148	\$ 46,251,148	\$ 46,783,272	\$ 532,124
Prior year levy	110,000	110,000	381,328	271,328
Interest and lien fees	140,000	140,000	227,233	87,233
Total property taxation	46,501,148	46,501,148	47,391,833	890,685
State and Federal Grants:				
Education Cost Sharing Grant	9,946,889	9,946,889	10,007,454	60,565
Adult Education and Vocational Agriculture	21,576	21,576	21,576	-
Town Road Aid	340,741	340,741	341,395	654
Disability Reimbursement			1,715	1,715
State Property Forest	4,540	4,540	4,540	-
Pequot/Mohegan Funds	4,081	4,081	4,081	-
Circuit Court Fines	3,500	3,500	1,511	(1,989)
Telecomm Serv Pers Prop Tax	17,303	17,303	17,626	323
Additional Income Veterans	15,000	15,000	11,859	(3,141)
Local Capital Improvement Program	123,301	123,301	108,297	(15,004)
DWI Grant	35,000	35,000	7,872	(27,128)
Erase Grant	3,905	3,905	3,907	2
Historical Preserve Award	5,500	5,500	5,500	-
North Central Area Agency on Aging	2,700	2,700	1,016	(1,684)
Municipal Grants-in-Aid	223,527	223,527	223,527	-
NCAAA-Nutrition PP (ENPP)	2,500	2,500		(2,500)
DOT- Senior Van			50,400	50,400
CT Fair Plan Anti Arson Grant			500	500
Senior Center Project Reimb			2,500	2,500
State of CT Election			10,794	10,794
State of CT Neglected Cemetery			2,500	2,500
State of CT Neighborhood Assistance			7,431	7,431
State of CT CRF Reimbursement			139,103	139,103
State of CT Dept of Agric			6,260	6,260
CT State Library HDP Grant			2,219	2,219
FEMA COVID 19			17,467	17,467
Total state and federal grants	10,750,063	10,750,063	11,001,050	250,987
Charges for Goods and Services:				
Building department	300,000	300,000	359,183	59,183
Rights of way permits	2,000	2,000	2,240	240
Fire marshal	300	300	434	134
Planning and zoning	35,000	35,000	42,572	7,572
Recreation program receipts	302,225	302,225	140,981	(161,244)
Town clerk conveyance tax	175,000	175,000	273,414	98,414
Town clerk record fees and license	71,000	71,000	174,754	103,754
Aircraft registration	1,200	1,200	1,080	(120)
Animal control officer fees and licenses	22,000	22,000	21,467	(533)
Animal control donations	100	100		(100)
Adhoc Patriotic Committee	200	200		(200)

(Continued on next page)

TOWN OF ELLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (CONTINUED)
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Adhoc Ell Beautification Committee	\$ 100	\$ 100	\$	\$ (100)
Adhoc Ell Trails Committee	100	100	825	725
Board Of Education	100	100		(100)
Police-Special Duty	150,000	150,000	313,588	163,588
Police-Dare Donations	500	500		(500)
Youth Services Donations	200	200		(200)
Youth Services Activities	15,000	15,000	8,467	(6,533)
Human Services-Municipal Agent				-
Human Services-Fuel Administration	200	200	1,030	830
Human Services Donations	1,000	1,000		(1,000)
Senior Center Donations	600	600	352	(248)
Senior Center Emats	1,000	1,000		(1,000)
Senior Center Transportation Center	450	450	180	(270)
Senior Center Programs	12,000	12,000	809	(11,191)
Senior Center Rental Income	150	150		(150)
Total charges for goods and services	<u>1,090,425</u>	<u>1,090,425</u>	<u>1,341,376</u>	<u>250,951</u>
Investment Earnings:				
Interest on earnings	<u>250,000</u>	<u>250,000</u>	<u>20,124</u>	<u>(229,876)</u>
WPCA	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Other Revenues:				
Ambulance fee program	150,000	150,000	150,000	-
Insurance claims and refunds	7,500	7,500	4,133	(3,367)
WPCA reimbursement	2,381,244	2,381,244	33,981	(2,347,263)
WPCA reimbursement maintenance budget	288,598	288,598		(288,598)
Snow removal charge - developers	5,000	5,000	15,725	10,725
Sundry refunds and receipts	70,000	70,000	71,813	1,813
Rental income of town property	4,638	4,638	5,250	612
Sale of property	100	100	51,868	51,768
Total other revenues	<u>2,907,080</u>	<u>2,907,080</u>	<u>332,770</u>	<u>(2,574,310)</u>
Total revenues	<u>61,598,716</u>	<u>61,598,716</u>	<u>60,187,153</u>	<u>(1,411,563)</u>
Other Financing Sources:				
Appropriation of fund balance	<u>1,767,645</u>	<u>1,767,645</u>		<u>(1,767,645)</u>
Total Revenues and Other Financing Sources	<u>\$ 63,366,361</u>	<u>\$ 63,366,361</u>	<u>60,187,153</u>	<u>\$ (3,179,208)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted	5,716,481
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted	137,959
CRRA Sanitation fund not budgeted	51
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes	547,074
Capital lease issuance, not budgeted for	624,424
WPCA debt payment receipts not included for GAAP	(100,000)
Issuance of refunding bonds, not budgeted for	3,200,000
Premium on issuance of refunding bonds, not budgeted for	393,324
Proceeds for certain grants for capital projects that were not budgeted for	<u>309,025</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balance - Governmental Funds - Exhibit IV

\$ 71,015,491

TOWN OF ELLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Expenditures:				
General government:				
Board of Selectmen	\$ 302,750	\$ 305,529	\$ 300,838	\$ 4,691
Board of Finance	11,750	11,750	9,629	2,121
Auditors	58,000	58,250	58,250	-
Auditors - special project	100	100		100
Finance Officer	399,319	391,584	377,153	14,431
Tax Assessor	215,564	216,847	193,306	23,541
Tax Collector	183,952	186,101	172,747	13,354
Board of Assessment Appeals	200	200	65	135
Insurance Advisory Board	1	1		1
Town Clerk	200,834	202,906	184,447	18,459
Town Counsel	120,000	120,000	71,725	48,275
Probate Court	7,353	7,353	7,353	-
Town Planner	248,106	250,587	239,338	11,249
	<u>1,747,929</u>	<u>1,751,208</u>	<u>1,614,851</u>	<u>136,357</u>
Boards and agencies:				
Registrars and electors	82,294	82,294	74,340	7,954
Economic Development Commission	5,800	5,800	1,972	3,828
Planning and Zoning	27,500	28,121	28,121	-
Design Review Board	100	100		100
Zoning Board of Appeals	4,000	4,000	1,160	2,840
Shared Services Commission	1	1		1
Permanent Building Commission	2,150	2,150		2,150
Ethics Commission	150	150	40	110
Inland Wetland Agency	5,400	5,400	2,868	2,532
Flood and Erosion Control Board	1	1		1
Conservation Commission	3,500	3,500	3,210	290
WPCA	1	1		1
	<u>130,897</u>	<u>131,518</u>	<u>111,711</u>	<u>19,807</u>
Public safety:				
Center Fire Department	222,700	222,700	213,198	9,502
Crystal Lake Fire Department	70,900	87,361	87,360	1
Fire protection hydrants	384,466	391,488	391,488	-
Emergency 911	51,060	51,060	50,601	459
Police	1,412,512	1,412,512	1,218,879	193,633
Police special duty	20,000	194,606	194,606	-
Police drug abuse resistance education	1,500	1,500	1,204	296
Animal Control Officer	107,138	107,138	99,628	7,510
Emergency Management	57,875	58,887	53,575	5,312
Building Department	164,220	166,545	165,747	798
Volunteer ambulance	344,130	344,130	344,130	-
Emergency service incentive program	145,000	145,000	126,636	18,364
Adhoc Emergency Service Committee	1	1		1
Preemption		3,710	3,710	-
Public Safety Commission	1	1		1
Fire Marshall	195,113	197,923	181,040	16,883
	<u>3,176,616</u>	<u>3,384,562</u>	<u>3,131,802</u>	<u>252,760</u>

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TOWN OF ELLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONTINUED)
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public works:				
General town roads	\$ 2,051,298	\$ 2,053,672	\$ 1,912,644	\$ 141,028
New equipment	28,000	28,000	28,000	-
Equipment maintenance	228,100	228,100	213,337	14,763
Town garage maintenance	74,500	74,500	74,218	282
Street signs	17,500	17,500	16,309	1,191
Grounds maintenance - BOE/parks	117,732	117,732	97,210	20,522
Town Aid Road - winter	215,000	215,000	132,969	82,031
Town Aid Road - materials	275,000	275,000	260,971	14,029
Sanitary landfill	518,400	518,400	480,559	37,841
Sanitary recycling	377,200	377,200	372,691	4,509
Household hazardous waste	15,000	16,501	16,501	-
WPCA maintenance - Hockanum	288,598	288,598		288,598
WPCA maintenance - Crystal Lake	2,381,244	2,381,244		2,381,244
Street lighting	95,000	95,000	78,621	16,379
Engineering and inspections	125,000	125,000	105,851	19,149
	<u>6,807,572</u>	<u>6,811,447</u>	<u>3,789,881</u>	<u>3,021,566</u>
Recreation:				
Parks recreation equipment	520,683	533,519	348,578	184,941
Crystal Lake water monitor	40,000	40,050	40,050	-
	<u>560,683</u>	<u>573,569</u>	<u>388,628</u>	<u>184,941</u>
Library:				
Hall Memorial Library	675,478	675,577	675,577	-
Human services:				
Nutmeg Big Brothers Big Sisters	1,100	1,100	1,100	-
Cornerstone Foundation, Inc.	1,500	1,500	1,500	-
Connecticut Legal Services	2,200	2,200	2,200	-
YWCA/SACS	2,000	2,000	2,000	-
Regional Mental Health Board	1,092	1,092	1,092	-
Kidsafe CT	2,500	2,500	2,500	-
Hockanum Valley Community Council	35,000	35,000	35,000	-
Youth activity programs	218,464	220,319	192,195	28,124
Hartford Interval House	3,000	3,000	3,000	-
Human services	197,190	218,914	217,059	1,855
North Central Health District	76,117	76,117	76,116	1
Municipal agent	2,000	2,000	1,963	37
Senior center	255,531	257,294	175,902	81,392
	<u>797,694</u>	<u>823,036</u>	<u>711,627</u>	<u>111,409</u>

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TOWN OF ELLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONTINUED)
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Town properties:				
Town Hall	\$ 490,713	\$ 490,713	\$ 473,767	\$ 16,946
Center Cemetery	4,000	7,429	7,429	-
Hall Memorial Library building	104,196	116,900	116,900	-
EVAC building	35,500	35,500	33,784	1,716
Crystal Lake fire building	21,000	24,569	24,569	-
Crystal Fire Building - Main Street	35,065	35,065	34,311	754
Crystal Fire Building - Nutmeg Drive	25,700	25,700	22,946	2,754
Arbor Commons - human services	20,700	20,700	17,483	3,217
Arbor Commons - police	16,386	16,386	14,183	2,203
Animal control facility	2,500	2,500	0	2,500
Senior Center building	56,504	56,504	51,533	4,971
Pinney House	2,300	2,494	2,494	-
Old Crystal Lake school house	17,000	17,000	15,564	1,436
	<u>831,564</u>	<u>851,460</u>	<u>814,963</u>	<u>36,497</u>
Debt service:				
Principal retirement	2,189,241	2,189,241	2,189,241	-
Interest	544,372	544,372	544,372	-
	<u>2,733,613</u>	<u>2,733,613</u>	<u>2,733,613</u>	<u>-</u>

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TOWN OF ELLINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (CONTINUED)
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Other:				
Social Security	\$ 488,663	\$ 488,663	\$ 408,701	\$ 79,962
Insurance	2,825,844	2,566,584	2,356,267	210,317
Insurance reimbursement and claims	7,500	7,500	783	6,717
Insurance prior year	1	1		1
Service insurance	107,296	107,296	107,296	-
Contingency Fund	200,000	200,000		200,000
AD HOC Prevention Council Developing	10,000	10,000	9,754	246
Erase	3,907	3,907	3,907	-
AD HOC Patriotic Committee	4,700	4,700	4,241	459
AD HOC Beautification Committee	2,200	2,200	1,021	1,179
AD HOC Trails Committee	8,000	8,921	8,921	-
Charter Revision Commission	4,350	4,350		4,350
Miscellaneous	2,000	2,000	817	1,183
GASB-OPEB	100,000	100,000	100,000	-
Referendum	18,000	18,000	7,281	10,719
Building demolition/eviction	50,000	50,000	41,002	8,998
Salary adjustment	53,827	32,429		32,429
Employee education development	7,500	7,500		7,500
Town communications	11,269	11,269		11,269
Town website	12,352	20,000	20,000	-
Grant applications	2,000	2,000		2,000
GIS	6,000	6,000	4,700	1,300
	<u>3,925,409</u>	<u>3,653,320</u>	<u>3,074,691</u>	<u>578,629</u>
Education	<u>40,616,036</u>	<u>40,616,036</u>	<u>40,123,935</u>	<u>492,101</u>
Capital outlays	<u>1,362,870</u>	<u>1,704,170</u>	<u>1,728,030</u>	<u>(23,860)</u>
Total Budgetary Expenditures	<u>\$ 63,366,361</u>	<u>\$ 63,709,516</u>	<u>\$ 58,899,309</u>	<u>\$ 4,810,207</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement Pension System for Town teachers are not budgeted	\$ 5,716,481
State of Connecticut on-behalf payments related to the Connecticut State Teachers' Retirement OPEB System for Town teachers are not budgeted	137,959
State of Connecticut grants for Special Education Excess Costs are netted for budgetary purposes	547,074
Change in designations recorded as expenditures for budget purposes:	
Capital reserve	85,141
OPEB Reserve	(100,000)
Capital lease issuance, not budgeted for	624,424
WPCA debt payment receipts not included for GAAP	(100,000)
Proceeds for certain grants for capital projects that were not budgeted for	309,025
Certain transfers are not budgeted for	223,000
Sutphen pumper lease principal - not budgeted for	123,831
Sutphen pumper lease interest - not budgeted for	9,520
Cost of issuance of general obligation bonds were not budgeted for	31,412
Payments to escrow agents were not budgeted for	3,533,527
Cost of issuance of refunding bonds were not budgeted for	59,797
Encumbrances outstanding at June 30, 2020 paid during current year	28,611
Encumbrances outstanding at June 30, 2020	<u>(23,860)</u>

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds Exhibit IV

\$ 70,105,251

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM
LAST THREE FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total LOSAP liability:			
Service cost	\$ 27,489	\$ 23,340	\$ 31,255
Interest on total pension liability	85,458	84,438	84,051
Difference between expected and actual experience	(26,343)	(1,974)	13,832
Effect of assumption changes or inputs	106,446	34,885	(23,954)
Benefit payments, including refunds of member contributions	<u>(89,049)</u>	<u>(94,420)</u>	<u>(100,133)</u>
Net change in total LOSAP liability	104,001	46,269	5,051
Total LOSAP liability - beginning	<u>2,083,719</u>	<u>2,037,450</u>	<u>2,032,399</u>
Total LOSAP liability - ending	<u>2,187,720</u>	<u>2,083,719</u>	<u>2,037,450</u>
Plan fiduciary net position:			
Contributions - employer	214,977		107,681
Net investment income (loss)	32,271	34,972	36,735
Benefit payments, including refunds of member contributions	<u>(89,049)</u>	<u>(94,420)</u>	<u>(100,133)</u>
Net change in plan fiduciary net position	158,199	(59,448)	44,283
Plan fiduciary net position - beginning	<u>1,131,666</u>	<u>1,191,114</u>	<u>1,146,831</u>
Plan fiduciary net position - ending	<u>1,289,865</u>	<u>1,131,666</u>	<u>1,191,114</u>
Town's net LOSAP liability	\$ <u>897,855</u>	\$ <u>952,053</u>	\$ <u>846,336</u>
Plan fiduciary net position as a percentage of total LOSAP liability	58.96%	54.31%	58.46%
Covered payroll	N/A	N/A	N/A
Town net LOSAP liability as a percentage of covered payroll	N/A	N/A	N/A

Notes:

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

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM
LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution*	\$ 86,968	\$ 101,156	\$ 107,681	\$ 93,306	\$ 100,911	\$ 96,341	\$ 99,463	\$ 65,123	\$ 68,082	\$ 67,730
Contributions in relation to the actuarially determined contribution	<u>214,977</u>		<u>107,681</u>	<u>93,306</u>	<u>101,000</u>	<u>96,341</u>	<u>90,200</u>	<u>79,200</u>	<u>68,100</u>	<u>67,180</u>
Contribution Deficiency (Excess)	<u>\$ (128,009)</u>	<u>\$ 101,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89)</u>	<u>\$ -</u>	<u>\$ 9,263</u>	<u>\$ (14,077)</u>	<u>\$ (18)</u>	<u>\$ 550</u>
Covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation date: August 1, 2020
Measurement date: July 31, 2020
Actuarially determined contribution rates are calculated based on actuarial valuation as of August 1 of the beginning of each fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Unit credit
Amortization method	10 and 30 years
Single equivalent amortization period	10 year/30 year
Asset valuation method	Market value
Inflation	2.0%
Investment rate of return	3.86%, net of investment related expense
Mortality Table	RP2000 - Combined Unisex

* Contribution amounts for fiscal year ending June 30, 2014 and prior are Annual Required Contribution (ARC) under GASB 27.

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
VOLUNTEER FIREFIGHTERS' LENGTH OF SERVICE AWARD PROGRAM
LAST SEVEN FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense:	3.79%	3.82%	3.93%	4.22%	3.59%	3.82%	3.57%

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

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.81%	0.82%	0.92%	1.32%	1.16%	0.86%	0.90%
Town's Proportionate Share of the Net Pension Liability	\$ <u>8,987,144</u>	\$ <u>8,425,498</u>	\$ <u>8,814,000</u>	\$ <u>3,265,400</u>	\$ <u>3,877,319</u>	\$ <u>2,853,323</u>	\$ <u>2,143,846</u>
Town's covered payroll	\$ 6,770,657	\$ 6,487,231	\$ 5,641,060	\$ 4,702,434	\$ 4,624,684	\$ 4,624,684	\$ 4,434,633
Town's proportionate share of the net pension liability as a percentage of its covered payroll	132.74%	129.88%	156.25%	69.44%	83.84%	61.70%	48.34%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

Notes: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
The measurement date is one year earlier than the employer's reporting date.

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution*	\$ 811,260	\$ 809,991	\$ 692,362	\$ 662,260	\$ 535,138	\$ 587,703	\$ 526,289	\$ 531,269	\$ 512,950	\$ 452,874
Contributions in relation to the actuarially determined contribution	811,260	809,991	692,362	662,260	535,138	587,703	526,289	531,269	512,950	452,874
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,736,463	\$ 6,770,657	\$ 6,487,231	\$ 5,641,060	\$ 4,702,434	\$ 4,624,684	\$ 4,624,684	\$ 4,434,633	\$ 4,281,720	\$ 3,841,170
Contributions as a percentage of covered payroll	14.14%	11.96%	10.67%	11.74%	11.38%	12.71%	11.38%	11.98%	11.98%	11.79%

Notes to Schedule:

Valuation date: June 30, 2020

Measurement date: June 30, 2020

The actuarially determined contributions are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Single equivalent amortization period	21 years
Asset valuation method	5 years smoothed market
Inflation	2.50%
Salary increases	3.50% - 10.00%, including inflation
Investment rate of return	7%, net of investment related expense

Changes in assumptions

In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2020 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017.

* Contribution amounts for fiscal year ending June 30, 2014 and prior are Annual Required Contribution (ARC) under GASB 27.

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	<u>89,122,783</u>	<u>78,949,572</u>	<u>60,875,000</u>	<u>59,744,000</u>	<u>63,060,000</u>	<u>48,421,000</u>	<u>44,756,000</u>
Total	<u>\$ 89,122,783</u>	<u>\$ 78,949,572</u>	<u>\$ 60,875,000</u>	<u>\$ 59,744,000</u>	<u>\$ 63,060,000</u>	<u>\$ 48,421,000</u>	<u>\$ 44,756,000</u>
Town's covered payroll	\$ 20,684,364	\$ 20,202,945	\$ 18,831,000	\$ 18,122,000	\$ 17,669,000	\$ 17,616,000	\$ 17,176,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in benefit terms

None

Changes of assumptions

The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.

- Decrease payroll growth assumption from 3.25% to 3.00%.

- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed

Single equivalent amortization period

30 years

Asset valuation method

4-year smoothed market

Inflation

2.50%

Salary increase

3.25%-6.50%, including inflation

Investment rate of return

6.90%, net of investment related expense

Notes:

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

- The measurement date is one year earlier than the employer's reporting date.

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS PLAN
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:				
Service cost	\$ 150,622	\$ 108,160	\$ 96,754	\$ 134,486
Interest	142,646	186,939	194,158	170,578
Changes of benefit terms			(1,791)	
Differences in expected and actual experience	(45,467)			
Changes of assumptions and other inputs	(22,665)	1,158,435	849,238	(192,419)
Benefit payments, including refunds of member contributions	(267,879)	(260,508)	(244,996)	(543,651)
Net change in total OPEB liability	(42,743)	1,193,026	893,363	(431,006)
Total OPEB liability - beginning	<u>6,555,095</u>	<u>5,362,069</u>	<u>4,468,706</u>	<u>4,899,712</u>
Total OPEB Liability - Ending	<u>\$ 6,512,352</u>	<u>\$ 6,555,095</u>	<u>\$ 5,362,069</u>	<u>\$ 4,468,706</u>
Covered payroll	\$ 29,854,235	\$ 26,874,892	\$ 26,219,407	\$ N/A
Total OPEB liability as a percentage of covered-employee payroll	21.81%	24.39%	20.45%	N/A

Notes to Schedule:

Changes of assumptions None

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

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
CONNECTICUT STATE TEACHERS RETIREMENT PLAN
LAST FOUR FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability attributed to the Town	<u>13,292,666</u>	<u>12,312,630</u>	<u>12,169,000</u>	<u>15,377,000</u>
Total	<u>\$ 13,292,666</u>	<u>\$ 12,312,630</u>	<u>\$ 12,169,000</u>	<u>\$ 15,377,000</u>
Town's covered payroll	\$ 20,684,364	\$ 20,202,945	\$ 18,831,000	\$ 18,122,000
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	<p>Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020;</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;</p> <p>Long-term health care cost trend rates were updated;</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,</p> <p>The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:</p> <ul style="list-style-type: none"> - Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%. - Decrease payroll growth assumption from 3.25% to 3.00%. - Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, recreation, human services, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

In addition, the Town has a number of funds that do not meet the definition of a special revenue fund according to GASB Statement No. 54 as their revenues are not committed or restricted to a specific purpose. The following funds are combined with the general fund:

CRRA Sanitation - To account for amounts committed for sanitation control and transfer station.

Unexpended Fund - To account for unexpended funds of the school district, in accordance with Chapter 10-248a of the Connecticut General Statutes; the Board of Education may designate all or part of any operating surplus, not to exceed 1% of the Board of Education's total operating budget for that fiscal year, subject to the approval of the Board of Finance. The Fund can be used for the expressed purpose of Special Education outside tuition and transportation expenditures associated with the same. The total accumulation of funds shall not exceed \$500,000.

TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2021

	<u>General</u>	<u>CRRA Sanitation</u>	<u>Unexpended Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
ASSETS					
Cash and cash equivalents	\$ 19,458,916	\$ 51,387	\$	\$	\$ 19,510,303
Receivables, net	659,223				659,223
Due from other funds	<u>3,416,101</u>		<u>150,000</u>	<u>(150,000)</u>	<u>3,416,101</u>
Total Assets	<u>\$ 23,534,240</u>	<u>\$ 51,387</u>	<u>\$ 150,000</u>	<u>\$ (150,000)</u>	<u>\$ 23,585,627</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,020,397	\$	\$	\$	\$ 2,020,397
Due to other funds	6,096,138			(150,000)	5,946,138
Unearned revenue	<u>67,175</u>				<u>67,175</u>
Total liabilities	<u>8,183,710</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>8,033,710</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	399,562				399,562
Unavailable revenue - grants	<u>5,823</u>				<u>5,823</u>
Total deferred inflows of resources	<u>405,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,385</u>
Fund balances:					
Committed	8,419,936	51,387	150,000		8,621,323
Assigned	2,970,608				2,970,608
Unassigned	<u>3,554,601</u>				<u>3,554,601</u>
Total fund balances	<u>14,945,145</u>	<u>51,387</u>	<u>150,000</u>	<u>-</u>	<u>15,146,532</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,534,240</u>	<u>\$ 51,387</u>	<u>\$ 150,000</u>	<u>\$ (150,000)</u>	<u>\$ 23,585,627</u>

TOWN OF ELLINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2021

	General	CRRA Sanitation	Unexpended Fund	Eliminations	Total General Fund
Revenues:					
Property taxes interest and lien fees \$	47,391,833	\$	\$	\$	\$ 47,391,833
Intergovernmental revenues	17,704,158				17,704,158
Charges for services	1,495,801				1,495,801
Investment income	20,124	51			20,175
Other	185,776				185,776
Total revenues	<u>66,797,692</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>66,797,743</u>
Expenditures:					
Current:					
General government	1,639,462				1,639,462
Boards and agencies	111,711				111,711
Public safety	3,135,802				3,135,802
Public works	4,098,906				4,098,906
Recreation	388,628				388,628
Library	675,577				675,577
Human services	711,627				711,627
Town properties	814,963				814,963
Education	46,478,424				46,478,424
Other	2,974,691				2,974,691
Debt service:					
Principal payments	2,213,072				2,213,072
Interest and fiscal charges	615,726				615,726
Capital outlay	2,413,735				2,413,735
Total expenditures	<u>66,272,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,272,324</u>
Excess (Deficiency) of Revenues over Expenditures	<u>525,368</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>525,419</u>
Other Financing Sources (Uses):					
Capital lease proceeds	624,424				624,424
Refunding bonds issued	3,200,000				3,200,000
Premium on refunding bonds	393,324				393,324
Payment to escrow agent	(3,533,527)				(3,533,527)
Transfers in from other funds			150,000	(150,000)	-
Transfers out to other funds	(449,400)			150,000	(299,400)
Total other financing sources	<u>234,821</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>384,821</u>
Net Change in Fund Balances	760,189	51	150,000	-	910,240
Fund Balances at Beginning of Year	<u>14,184,956</u>	<u>51,336</u>			<u>14,236,292</u>
Fund Balances at End of Year	<u>\$ 14,945,145</u>	<u>\$ 51,387</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 15,146,532</u>

**NONMAJOR
GOVERNMENTAL
FUNDS**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specific purposes. The nature and purpose of each Special Revenue Fund is as follows:

Fund	Funding Source	Function
Dog	Charges for services	Operation of animal control
Education Programs	Grants and charges for services	Education
District and Student Activities	Charges for services	Education
Education	Grants	Education
School Lunch	Sales and grants	School lunch program
Central Office Flex Spending	Charges for services	Education
Ambulance Fee Program	Charges for services	Public safety
Youth Service Bureau	Grants	Human services
HUD Small Cities Housing Rehab	Grants	Human services
Historic Document Preservation	Grants	General government
Town Land Preservation	Charges for services	General government
DOT Elderly and Disabled	Grants	Human services
Land Use Fees	Local funding	General government
Open Space	Local funding	General government
Small Cities Regular Rehab 13	Grants	General government
Small Cities Regular Rehab 16	Grants	General government
Small Cities Regular Rehab 17	Grants	General government
Veteran	Local funding	Human services
Robert Tedford	Local funding	Human services
Food Bank	Local funding	Human services
Fuel Bank	Local funding	Human services
Hall Memorial Library	Local funding	Library
Municipal Land Trust	Private donations	General government
John T. McKnight	Private donations	Library
Hall Memorial Library	Private donations	Library
Senior Donation	Private donations	Human services
Senior Center Activity	Private donations	Human services
Hall Memorial Endowment	Private donations	Library
Hall Memorial Myrtle Eddy	Private donations	Library
Hall Memorial Moriarty	Private donations	Library
Ellington Senior Center Building	Private donations	Human services

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the proceeds of specific revenue sources (other than special revenue or expendable trusts) that are restricted to expenditures for specific purposes. The nature and purpose of each Capital Project Fund is as follows:

Fund	Funding Source	Function
Windsorville Road Improvement	Capital	General government
Town Sidewalk	Capital	General government
Windermere Road Improvements	Capital	General government
Department of Public Works Maintenance	Capital	General government
Senior Center Building	Capital	General government
Oakridge Dairy Farmland Preservation	Capital	General government
Windermere School Alterations	Capital	Education

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title. They account for the funds endowed to the Town to benefit various purposes.

TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds							
	Dog Fund	Education Programs Fund	District and Student Activities	Education Special Revenue Fund	School Lunch Fund	Central Office Flex Spending	Ambulance Fee Program Fund	Youth Service Bureau Fund
ASSETS								
Cash and cash equivalents	\$	\$ 118,996	\$ 385,778	\$	\$ 583,007	\$ 21,558	\$ 286,935	\$
Investments								
Receivables		38,466			150,234		84,423	
Due from other funds		1,179,590		296,066				
Inventory					17,894			
Total Assets	\$ -	\$ 1,337,052	\$ 385,778	\$ 296,066	\$ 751,135	\$ 21,558	\$ 371,358	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue		130,736						
Due to other funds					697,053		55,137	
Total liabilities	-	130,736	-	-	697,053	-	55,137	-
Deferred inflows of resources:								
Unavailable revenue - grants		38,466						
Total deferred inflows of resources	-	38,466	-	-	-	-	-	-
Fund Balances:								
Nonspendable					17,894			
Restricted				296,066	36,188	21,558		
Committed		1,167,850	385,778				316,221	
Unassigned								
Total fund balances	-	1,167,850	385,778	296,066	54,082	21,558	316,221	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 1,337,052	\$ 385,778	\$ 296,066	\$ 751,135	\$ 21,558	\$ 371,358	\$ -

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds							
	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Small Cities Regular Rehab 13 Fund	Small Cities Regular Rehab 16 Fund
ASSETS								
Cash and cash equivalents	\$ 104,890	\$ 110,311	\$ 52,240	\$	\$ 48,072	\$ 718,623	\$	\$
Investments								
Receivables								184,346
Due from other funds						10,611		
Inventory								
Total Assets	<u>\$ 104,890</u>	<u>\$ 110,311</u>	<u>\$ 52,240</u>	<u>\$ -</u>	<u>\$ 48,072</u>	<u>\$ 729,234</u>	<u>\$ -</u>	<u>\$ 184,346</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue						203,597		
Due to other funds	27,840	6,775	51,353		1,592			83,926
Total liabilities	<u>27,840</u>	<u>6,775</u>	<u>51,353</u>	<u>-</u>	<u>1,592</u>	<u>203,597</u>	<u>-</u>	<u>83,926</u>
Deferred inflows of resources:								
Unavailable revenue - grants								
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted	77,050							100,420
Committed		103,536	887		46,480	525,637		
Unassigned								
Total fund balances	<u>77,050</u>	<u>103,536</u>	<u>887</u>	<u>-</u>	<u>46,480</u>	<u>525,637</u>	<u>-</u>	<u>100,420</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 104,890</u>	<u>\$ 110,311</u>	<u>\$ 52,240</u>	<u>\$ -</u>	<u>\$ 48,072</u>	<u>\$ 729,234</u>	<u>\$ -</u>	<u>\$ 184,346</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds								
	Small Cities Regular Rehab 17 Fund	Veteran Fund	Robert Tedford Fund	Food Bank Fund	Fuel Bank Fund	Hall Memorial Library	Municipal Land Trust Fund	John T. Mcnight Fund	Hall Memorial Library Fund
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ 20,535	\$ 27,169	\$ 139,857
Investments									
Receivables	109,013								
Due from other funds		7,104	2,869	12,341	1,315	40,000			
Inventory									
Total Assets	<u>\$ 109,013</u>	<u>\$ 7,104</u>	<u>\$ 2,869</u>	<u>\$ 12,341</u>	<u>\$ 1,315</u>	<u>\$ 40,000</u>	<u>\$ 20,535</u>	<u>\$ 27,169</u>	<u>\$ 139,857</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue									
Due to other funds	111,637								
Total liabilities	<u>111,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:									
Unavailable revenue - grants									
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:									
Nonspendable									
Restricted									
Committed		7,104	2,869	12,341	1,315	40,000	20,535	27,169	139,857
Unassigned	(2,624)								
Total fund balances	<u>(2,624)</u>	<u>7,104</u>	<u>2,869</u>	<u>12,341</u>	<u>1,315</u>	<u>40,000</u>	<u>20,535</u>	<u>27,169</u>	<u>139,857</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 109,013</u>	<u>\$ 7,104</u>	<u>\$ 2,869</u>	<u>\$ 12,341</u>	<u>\$ 1,315</u>	<u>\$ 40,000</u>	<u>\$ 20,535</u>	<u>\$ 27,169</u>	<u>\$ 139,857</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds						Capital Project Funds	
	Senior Center Donation Fund	Senior Center Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building	Windsorville Road Improvement Fund	Town Sidewalk Fund
ASSETS								
Cash and cash equivalents	\$	\$ 37,205	\$ 8,746	\$ 292	\$ 584	\$ 17,413	\$ 27,349	\$ 4,648
Investments			273,704	9,148	18,296			
Receivables								
Due from other funds	1		31,879	608	1,216			
Inventory								
Total Assets	<u>\$ 1</u>	<u>\$ 37,205</u>	<u>\$ 314,329</u>	<u>\$ 10,048</u>	<u>\$ 20,096</u>	<u>\$ 17,413</u>	<u>\$ 27,349</u>	<u>\$ 4,648</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue								
Due to other funds						15,523		
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,523</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue - grants								
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted								
Committed	1	37,205	314,329	10,048	20,096	1,890	27,349	4,648
Unassigned								
Total fund balances	<u>1</u>	<u>37,205</u>	<u>314,329</u>	<u>10,048</u>	<u>20,096</u>	<u>1,890</u>	<u>27,349</u>	<u>4,648</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1</u>	<u>\$ 37,205</u>	<u>\$ 314,329</u>	<u>\$ 10,048</u>	<u>\$ 20,096</u>	<u>\$ 17,413</u>	<u>\$ 27,349</u>	<u>\$ 4,648</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Capital Project Funds					Permanent Funds		
	Windermere Road Improvements Fund	Department of Public Works Maintenance Fund	Senior Center Building Fund	Windermere School Alterations Fund	Oakridge Dairy Farm Land Preservation Fund	Marshall E. Charter Fund	Kimball Memorial Fund	John T. McKnight Maintenance Fund
ASSETS								
Cash and cash equivalents	\$ 19,522	\$ 208,568	\$	\$	\$	\$ 128,336	\$ 18,390	\$ 3,685
Investments				309,730		598,809	136,924	27,443
Receivables								
Due from other funds			4,920		140,821	8,459	1,934	388
Inventory								
Total Assets	<u>\$ 19,522</u>	<u>\$ 208,568</u>	<u>\$ 4,920</u>	<u>\$ 309,730</u>	<u>\$ 140,821</u>	<u>\$ 735,604</u>	<u>\$ 157,248</u>	<u>\$ 31,516</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$
Unearned revenue								
Due to other funds				60,159				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue - grants				309,730				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable						29,697	5,000	1,000
Restricted						705,907	152,248	30,516
Committed	19,522	208,568	4,920		140,821			
Unassigned				(60,159)				
Total fund balances	<u>19,522</u>	<u>208,568</u>	<u>4,920</u>	<u>(60,159)</u>	<u>140,821</u>	<u>735,604</u>	<u>157,248</u>	<u>31,516</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,522</u>	<u>\$ 208,568</u>	<u>\$ 4,920</u>	<u>\$ 309,730</u>	<u>\$ 140,821</u>	<u>\$ 735,604</u>	<u>\$ 157,248</u>	<u>\$ 31,516</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Permanent Funds						
	Eugene K. Mosley Fund	Arthur Hyde Fund	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total
ASSETS							
Cash and cash equivalents	\$ 106	\$ 213	\$ 532	\$ 11,204	\$ 38,535	\$ 1,065	\$ 3,144,364
Investments				100,770	286,917		1,452,011
Receivables							876,212
Due from other funds				1,325	4,053		1,745,500
Inventory							17,894
Total Assets	<u>\$ 106</u>	<u>\$ 213</u>	<u>\$ 532</u>	<u>\$ 113,299</u>	<u>\$ 329,505</u>	<u>\$ 1,065</u>	<u>\$ 7,235,981</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 6	\$ 13	\$ 32	\$ -	\$ -	\$ 65	\$ 116
Unearned revenue							334,333
Due to other funds							1,110,995
Total liabilities	<u>6</u>	<u>13</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>1,445,444</u>
Deferred inflows of resources:							
Unavailable revenue - grants							348,196
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,196</u>
Fund Balances:							
Nonspendable	100	200	500	5,000	10,000	1,000	70,391
Restricted				108,299	319,505		1,847,757
Committed							3,586,976
Unassigned							(62,783)
Total fund balances	<u>100</u>	<u>200</u>	<u>500</u>	<u>113,299</u>	<u>329,505</u>	<u>1,000</u>	<u>5,442,341</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 106</u>	<u>\$ 213</u>	<u>\$ 532</u>	<u>\$ 113,299</u>	<u>\$ 329,505</u>	<u>\$ 1,065</u>	<u>\$ 7,235,981</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds							
	Dog Fund	Education Programs Fund	District and Student Activities	Education Special Revenue Fund	School Lunch Fund	Central Office Flex Spending	Ambulance Fee Program Fund	Youth Service Bureau Fund
Revenues:								
Intergovernmental revenues	\$	\$ 520,321	\$	\$ -	\$ 757,109	\$	\$	\$ 22,777
Other local revenues:								
Charges for services	99,629	211,547	315,482	943,379	35,008	55,374	268,537	
Investment earnings							350	
Other revenue		4,362						
Total revenues	<u>99,629</u>	<u>736,230</u>	<u>315,482</u>	<u>943,379</u>	<u>792,117</u>	<u>55,374</u>	<u>268,887</u>	<u>22,777</u>
Expenditures:								
General government								
Public safety	99,629						270,226	
Human services								22,777
Education		767,052	278,670	969,888	839,388	53,646		
Library								
Total expenditures	<u>99,629</u>	<u>767,052</u>	<u>278,670</u>	<u>969,888</u>	<u>839,388</u>	<u>53,646</u>	<u>270,226</u>	<u>22,777</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(30,822)</u>	<u>36,812</u>	<u>(26,509)</u>	<u>(47,271)</u>	<u>1,728</u>	<u>(1,339)</u>	<u>-</u>
Other Financing Sources:								
Transfers in					47,025			
Bonds issued								
Premium on bonds issued								
Net Change in Fund Balances	-	(30,822)	36,812	(26,509)	(246)	1,728	(1,339)	-
Fund Balances at Beginning of Year, as restated	-	1,198,672	348,966	322,575	54,328	19,830	317,560	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 1,167,850</u>	<u>\$ 385,778</u>	<u>\$ 296,066</u>	<u>\$ 54,082</u>	<u>\$ 21,558</u>	<u>\$ 316,221</u>	<u>\$ -</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds							
	HUD Small Cities Housing Rehab Program Fund	Historic Document Preservation Fund	Town Land Preservation Fund	DOT Elderly and Disabled Fund	Land Use Fees Fund	Open Space Fund	Small Cities Regular Rehab 13 Fund	Small Cities Regular Rehab 16 Fund
Revenues:								
Intergovernmental revenues	\$	\$ 12,521	\$	\$ 27,023	\$	\$	\$	\$
Other local revenues:								
Charges for services			229,223					
Investment earnings	145	83	56		51	795		
Other revenue					6,504	23,908		
Total revenues	<u>145</u>	<u>12,604</u>	<u>229,279</u>	<u>27,023</u>	<u>6,555</u>	<u>24,703</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government			280,576		8,721		10	
Public safety								
Human services		11,084		27,023				11
Education								
Library								
Total expenditures	<u>-</u>	<u>11,084</u>	<u>280,576</u>	<u>27,023</u>	<u>8,721</u>	<u>-</u>	<u>10</u>	<u>11</u>
Excess (Deficiency) of Revenues over Expenditures	<u>145</u>	<u>1,520</u>	<u>(51,297)</u>	<u>-</u>	<u>(2,166)</u>	<u>24,703</u>	<u>(10)</u>	<u>(11)</u>
Other Financing Sources:								
Transfers in								
Bonds issued								
Premium on bonds issued								
Net Change in Fund Balances	145	1,520	(51,297)	-	(2,166)	24,703	(10)	(11)
Fund Balances at Beginning of Year, as restated	<u>76,905</u>	<u>102,016</u>	<u>52,184</u>	<u>-</u>	<u>48,646</u>	<u>500,934</u>	<u>10</u>	<u>100,431</u>
Fund Balances at End of Year	<u>\$ 77,050</u>	<u>\$ 103,536</u>	<u>\$ 887</u>	<u>\$ -</u>	<u>\$ 46,480</u>	<u>\$ 525,637</u>	<u>\$ -</u>	<u>\$ 100,420</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	Small Cities Regular Rehab 17 Fund	Veteran Fund	Robert Tedford Fund	Food Bank Fund	Fuel Bank Fund	Hall Memorial Library	Municipal Land Trust Fund	John T. Mcnight Fund	Hall Memorial Library Fund
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other local revenues:									
Charges for services									27,455
Investment earnings							20	27	38
Other revenue		15,136	6,369	36,199	2,795	40,000			9,123
Total revenues	<u>-</u>	<u>15,136</u>	<u>6,369</u>	<u>36,199</u>	<u>2,795</u>	<u>40,000</u>	<u>20</u>	<u>27</u>	<u>36,616</u>
Expenditures:									
General government		8,032	3,500	23,858	1,480				
Public safety									
Human services	3,760								
Education									
Library									17,410
Total expenditures	<u>3,760</u>	<u>8,032</u>	<u>3,500</u>	<u>23,858</u>	<u>1,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,410</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,760)</u>	<u>7,104</u>	<u>2,869</u>	<u>12,341</u>	<u>1,315</u>	<u>40,000</u>	<u>20</u>	<u>27</u>	<u>19,206</u>
Other Financing Sources:									
Transfers in									
Bonds issued									
Premium on bonds issued									
Net Change in Fund Balances	(3,760)	7,104	2,869	12,341	1,315	40,000	20	27	19,206
Fund Balances at Beginning of Year, as restated	<u>1,136</u>						<u>20,515</u>	<u>27,142</u>	<u>120,651</u>
Fund Balances at End of Year	\$ <u>(2,624)</u>	\$ <u>7,104</u>	\$ <u>2,869</u>	\$ <u>12,341</u>	\$ <u>1,315</u>	\$ <u>40,000</u>	\$ <u>20,535</u>	\$ <u>27,169</u>	\$ <u>139,857</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds						Capital Project Funds	
	Senior Center Donation Fund	Senior Center Activity Fund	Hall Memorial Endowment Fund	Hall Memorial Myrtle Eddy Fund	Hall Memorial Moriarty Fund	Ellington Senior Center Building	Windsorville Road Improvement Fund	Town Sidewalk Fund
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$
Other local revenues:								
Charges for services		4,457						
Investment earnings		19	29,825	997	1,994	17	27	5
Other revenue			21,130	706	1,412			
Total revenues	-	4,476	50,955	1,703	3,406	17	27	5
Expenditures:								
General government								
Public safety								
Human services		7,415				5,261		
Education								
Library			2,722	91	182			
Total expenditures	-	7,415	2,722	91	182	5,261	-	-
Excess (Deficiency) of Revenues over Expenditures	-	(2,939)	48,233	1,612	3,224	(5,244)	27	5
Other Financing Sources:								
Transfers in								
Bonds issued								
Premium on bonds issued								
Net Change in Fund Balances	-	(2,939)	48,233	1,612	3,224	(5,244)	27	5
Fund Balances at Beginning of Year, as restated	1	40,144	266,096	8,436	16,872	7,134	27,322	4,643
Fund Balances at End of Year	\$ 1	\$ 37,205	\$ 314,329	\$ 10,048	\$ 20,096	\$ 1,890	\$ 27,349	\$ 4,648

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Capital Project Funds					Permanent Funds		
	Windemere Road Improvements Fund	Department of Public Works Maintenance Fund	Senior Center Building Fund	Windemere School Alterations Fund	Oakridge Dairy Farm Land Preservation Fund	Marshall E. Charter Fund	Kimball Memorial Fund	John T. McKnight Maintenance Fund
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$
Other local revenues:								
Charges for services								
Investment earnings	19	211				65,333	14,920	2,990
Other revenue						46,229	10,571	2,119
Total revenues	<u>19</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,562</u>	<u>25,491</u>	<u>5,109</u>
Expenditures:								
General government						5,955	1,361	274
Public safety								
Human services								
Education								
Library								
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,955</u>	<u>1,361</u>	<u>274</u>
Excess (Deficiency) of Revenues over Expenditures	<u>19</u>	<u>211</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,607</u>	<u>24,130</u>	<u>4,835</u>
Other Financing Sources:								
Transfers in								
Bonds issued					125,000			
Premium on bonds issued					15,821			
Net Change in Fund Balances	19	211	-	-	140,821	105,607	24,130	4,835
Fund Balances at Beginning of Year, as restated	<u>19,503</u>	<u>208,357</u>	<u>4,920</u>	<u>(60,159)</u>	<u>-</u>	<u>629,997</u>	<u>133,118</u>	<u>26,681</u>
Fund Balances at End of Year	<u>\$ 19,522</u>	<u>\$ 208,568</u>	<u>\$ 4,920</u>	<u>\$ (60,159)</u>	<u>\$ 140,821</u>	<u>\$ 735,604</u>	<u>\$ 157,248</u>	<u>\$ 31,516</u>

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TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Permanent Funds						
	Eugene K. Mosley Fund	Arthur Hyde Fund	Sarah H. McKinney Fund	Mary Wadsworth Gardner Fund	Hall Memorial Library Fund	Wiley Fund	Total
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	1,339,751
Other local revenues:							
Charges for services							2,190,091
Investment earnings			1	10,984	31,265	1	160,173
Other revenue				7,780	22,150		256,493
Total revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>18,764</u>	<u>53,415</u>	<u>1</u>	<u>3,946,508</u>
Expenditures:							
General government			1	1,100		1	334,869
Public safety							369,855
Human services							77,331
Education							2,908,644
Library					2,851		23,256
Total expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,100</u>	<u>2,851</u>	<u>1</u>	<u>3,713,955</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,664</u>	<u>50,564</u>	<u>-</u>	<u>232,553</u>
Other Financing Sources:							
Transfers in							47,025
Bonds issued							125,000
Premium on bonds issued							15,821
Net Change in Fund Balances	-	-	-	17,664	50,564	-	420,399
Fund Balances at Beginning of Year, as restated	<u>100</u>	<u>200</u>	<u>500</u>	<u>95,635</u>	<u>278,941</u>	<u>1,000</u>	<u>5,021,942</u>
Fund Balances at End of Year	<u>\$ 100</u>	<u>\$ 200</u>	<u>\$ 500</u>	<u>\$ 113,299</u>	<u>\$ 329,505</u>	<u>\$ 1,000</u>	<u>\$ 5,442,341</u>

NONMAJOR ENTERPRISE FUNDS

ENTERPRISE FUNDS

Enterprise funds are used for the operations that are financed and operated primarily through user fees.

Solid Waste Collection Fund - Accounts for the revenues and related expenses for the collection of solid waste.

Watermains Tripp and Middle Roads Fund - Accounts for the assessment revenues and related expenses for the extension of water mains on Tripp and Middle Road. The installation was necessitated by the discovery of EDB tainted wells in the area in 1985. Local ordinance 180-1 and 180-2, as well as State Statute 7-137 (c) (d), allow the Board of Selectmen to levy water main assessments to recover the cost of the installation.

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2021

	Solid Waste Collection Fund	Watermains Tripp and Middle Roads Fund	Total
Assets:			
Current assets:			
Accounts receivable, net	\$ 52,781	\$	\$ 52,781
Due from other funds	145,958		145,958
Total current assets	<u>198,739</u>	<u>-</u>	<u>198,739</u>
Noncurrent assets:			
Assessments Receivable		38,183	38,183
Total assets	<u>198,739</u>	<u>38,183</u>	<u>236,922</u>
Liabilities:			
Current liabilities:			
Due to other funds		109,541	109,541
Net Position:			
Unrestricted	<u>198,739</u>	<u>(71,358)</u>	<u>127,381</u>
Total Net Position	<u>\$ 198,739</u>	<u>\$ (71,358)</u>	<u>\$ 127,381</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Solid Waste Collection Fund	Watermains Tripp and Middle Roads Fund	Total
Operating Revenues:			
Solid waste fees	\$ <u>692,487</u>	\$ <u> </u>	\$ <u>692,487</u>
Operating Expenses:			
Solid waste fees	<u>628,249</u>	<u> </u>	<u>628,249</u>
Change in Net Position	64,238	-	64,238
Net Position at Beginning of Year	<u>134,501</u>	<u>(71,358)</u>	<u>63,143</u>
Net Position at End of Year	\$ <u><u>198,739</u></u>	\$ <u><u>(71,358)</u></u>	\$ <u><u>127,381</u></u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Solid Waste Collection Fund	Watermains Tripp and Middle Roads Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 676,310	\$	\$ 676,310
Payments to suppliers	(628,249)		(628,249)
Interfund activities	(48,061)		(48,061)
Net cash provided by (used in) operating activities	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used in) Operating Activities:			
Operating income (loss)	\$ 64,238	\$ -	\$ 64,238
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(16,177)		(16,177)
(Increase) decrease in due from other funds	(48,061)		(48,061)
Total adjustments	(64,238)	-	(64,238)
Net Cash Provided By (Used in) Operating Activities	\$ -	\$ -	\$ -

**INTERNAL
SERVICE
FUNDS**

INTERNAL SERVICE FUNDS

Internal Service funds are used for the financing of goods and services provided by one department or agency to other departments or agencies of the Town, or to other governments, on a cost reimbursement basis.

BOE Medical Self - Insurance Fund - To account for the revenues and related expenses for the health self-insurance plan for Board of Education employees.

BOE Dental Self - Insurance Fund - To account for the revenues and related expenses for the dental self-insurance plan for Board of Education employees.

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	BOE Medical Self-Insurance Fund	BOE Dental Self-Insurance Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 177,699	\$	\$ 177,699
Due from other funds	<u>223,000</u>	<u>103,960</u>	<u>326,960</u>
Total assets	<u>400,699</u>	<u>103,960</u>	<u>504,659</u>
Liabilities:			
Current liabilities:			
Claims payable and accrued items	<u></u>	<u>39,270</u>	<u>39,270</u>
Net Position:			
Unrestricted	<u>400,699</u>	<u>64,690</u>	<u>465,389</u>
Total Net Position	<u><u>\$ 400,699</u></u>	<u><u>\$ 64,690</u></u>	<u><u>\$ 465,389</u></u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BOE Medical Self-Insurance Fund	BOE Dental Self-Insurance Fund	Total
Operating Revenues:			
Employer contributions	\$	\$ 183,463	\$ 183,463
Charges for services	323,874	57,921	381,795
Total operating revenues	<u>323,874</u>	<u>241,384</u>	<u>565,258</u>
Operating Expenses:			
Claims	329,426	344,862	674,288
Total operating expenses	<u>329,426</u>	<u>344,862</u>	<u>674,288</u>
Operating Income (Loss)	<u>(5,552)</u>	<u>(103,478)</u>	<u>(109,030)</u>
Transfers In	<u>223,000</u>		<u>223,000</u>
Change in Net Position	217,448	(103,478)	113,970
Net Position at Beginning of Year, as restated	<u>183,251</u>	<u>168,168</u>	<u>351,419</u>
Net Position at End of Year	<u>\$ 400,699</u>	<u>\$ 64,690</u>	<u>\$ 465,389</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BOE Medical Self-Insurance Fund	BOE Dental Self-Insurance Fund	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 323,874	\$ 241,384	\$ 565,258
Payments to suppliers	(329,426)	(305,592)	(635,018)
Interfund activities	(223,000)	64,208	(158,792)
Net cash provided by (used in) operating activities	<u>(228,552)</u>	<u>-</u>	<u>(228,552)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers in from other funds	223,000		223,000
Net cash provided by (used in) noncapital financing activities	<u>223,000</u>	<u>-</u>	<u>223,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,552)	-	(5,552)
Cash and Cash Equivalents at Beginning of Year	<u>183,251</u>	<u>-</u>	<u>183,251</u>
Cash and Cash Equivalents at End of Year	<u>\$ 177,699</u>	<u>\$ -</u>	<u>\$ 177,699</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used in) Operating Activities:			
Operating income (loss)	\$ (5,552)	\$ (103,478)	\$ (109,030)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in due from other funds	(223,000)	64,208	(158,792)
Increase (decrease) in claims payable		39,270	39,270
Total adjustments	<u>(223,000)</u>	<u>103,478</u>	<u>(119,522)</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ (228,552)</u>	<u>\$ -</u>	<u>\$ (228,552)</u>

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Private Purpose Trust Funds

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

Public Health Nursing Fund is used to accept the bank book to hold funds for a Public Health Nursing Fund which shall be added to as the Town sees fit, until such a time as the Town may establish its own Public Health Nursing Association and that a vote of thanks be given to Miss Hattie R.M. Berr, Chairman of the Committee which had raised the original sum of money.

Graduation Fund is used to account for the revenues and expenditures involved with the annual Ellington High School Graduation Party put on by the Graduation Committee.

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2021

	Public Health Nursing Fund	Graduation Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,411	\$ 58,194	\$ 60,605
Due from other funds	<u> </u>	<u>1,618</u>	<u>1,618</u>
Total Assets	\$ <u>2,411</u>	\$ <u>59,812</u>	\$ <u>62,223</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ <u> </u>	\$ <u> </u>	\$ <u>-</u>
Net Position:			
Restricted for trust purposes	<u>2,411</u>	<u>59,812</u>	<u>62,223</u>
Total Liabilities and Fund Balances	\$ <u>2,411</u>	\$ <u>59,812</u>	\$ <u>62,223</u>

TOWN OF ELLINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Public Health Nursing Fund	Graduation Fund	Total
Additions:			
Contributions	\$	\$ 33,515	\$ 33,515
Other		3,124	3,124
Total contributions and other	-	36,639	36,639
Investment earnings:			
Interest	2	43	45
Total additions	2	36,682	36,684
Deductions:			
Program expenses		19,001	19,001
Total deductions	-	19,001	19,001
Change in Net Position	2	17,681	17,683
Net Position at Beginning of Year	2,409	42,131	44,540
Net Position at End of Year	\$ 2,411	\$ 59,812	\$ 62,223

OTHER SCHEDULES

TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2021

Grand List of October 1,	Uncollected Taxes July 1, 2020 and Current Levy		Lawful Corrections		Transfers to Suspense	Adjusted Tax Levy	Collections				Uncollected Taxes June 30, 2021
			Additions	Deductions			Taxes	Interest	Liens	Total	
2019	\$	47,221,346	\$ 76,593	\$ 153,803	\$	\$ 47,144,136	\$ 46,789,174	\$ 113,967	\$ 264	\$ 46,903,405	\$ 354,962
2018		392,003	6,458	7,964		390,497	270,259	58,094	1,377	329,730	120,238
2017		123,538	78	779	42,080	80,757	71,472	25,145	486	97,103	9,285
2016		18,342	82	585		17,839	15,880	8,772	179	24,831	1,959
2015		10,054				10,054	8,259	6,109	96	14,464	1,795
2014		5,772				5,772	4,250	3,813	24	8,087	1,522
2013		2,723				2,723	1,291	1,429		2,720	1,432
2012		1,406				1,406				-	1,406
2011		1,383				1,383				-	1,383
2010		1,363	517			1,880	517			517	1,363
2009		1,284				1,284				-	1,284
2008		683				683				-	683
2007		112				112				-	112
2006		150				150				-	150
2005		201				201				-	201
2004		130		130		-		208		208	-
	\$	<u>47,780,490</u>	\$ <u>83,728</u>	\$ <u>163,261</u>	\$ <u>42,080</u>	\$ <u>47,658,877</u>	47,161,102	\$ <u>217,537</u>	\$ <u>2,426</u>	47,381,065	\$ <u>497,775</u>
					Suspense collections		<u>8,795</u>			<u>8,795</u>	
					Total collections	\$	<u>47,169,897</u>			\$ <u>47,389,860</u>	

STATISTICAL SECTION

STATISTICAL SECTION

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

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

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

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

TABLE 1

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

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net investment in capital assets	\$ 58,724,896	\$ 60,996,188	\$ 64,181,710	\$ 63,480,746	\$ 63,117,556	\$ 62,378,909	\$ 51,171,283	\$ 49,480,060	\$ 48,142,944	\$ 46,867,137
Restricted	5,557,415	4,387,994	5,394,264	4,103,173	4,553,133	3,730,455	3,756,332	3,800,869	3,511,836	730,107
Unrestricted	6,188,972	4,015,132	803,394	3,122,600	4,372,058	883,399	9,697,129	9,462,071	8,443,458	11,064,602
Total Governmental Activities Net Position	<u>\$ 70,471,283</u>	<u>\$ 69,399,314</u>	<u>\$ 70,379,368</u>	<u>\$ 70,706,519</u>	<u>\$ 72,042,747</u>	<u>\$ 66,992,763</u>	<u>\$ 64,624,744</u>	<u>\$ 62,743,000</u>	<u>\$ 60,098,238</u>	<u>\$ 58,661,846</u>
Business-Type Activities:										
Net investment in capital assets	\$ 8,363,458	\$ 8,689,211	\$ 8,466,861	\$ 8,778,160	\$ 9,095,729	\$ 9,580,773	\$ 9,760,379	\$ 9,642,673	\$ 9,015,674	\$ 9,244,304
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	10,517,117	8,965,852	8,677,482	8,129,206	7,527,622	7,003,997	6,526,112	6,126,739	6,213,855	6,502,782
Total Business-Type Activities Net Position	<u>\$ 18,880,575</u>	<u>\$ 17,655,063</u>	<u>\$ 17,144,343</u>	<u>\$ 16,907,366</u>	<u>\$ 16,623,351</u>	<u>\$ 16,584,770</u>	<u>\$ 16,286,491</u>	<u>\$ 15,769,412</u>	<u>\$ 15,229,529</u>	<u>\$ 15,747,086</u>
Primary Government:										
Net investment in capital assets	\$ 67,088,354	\$ 69,685,399	\$ 72,648,571	\$ 72,258,906	\$ 72,213,285	\$ 71,959,682	\$ 60,931,662	\$ 59,122,733	\$ 57,158,618	\$ 56,111,441
Restricted	5,557,415	4,387,994	5,394,264	4,103,173	4,553,133	3,730,455	3,756,332	3,800,869	3,511,836	730,107
Unrestricted	16,706,089	12,980,984	9,480,876	11,251,806	11,899,680	7,887,396	16,223,241	15,588,810	14,657,313	17,567,384
Total Primary Government Net Position	<u>\$ 89,351,858</u>	<u>\$ 87,054,377</u>	<u>\$ 87,523,711</u>	<u>\$ 87,613,885</u>	<u>\$ 88,666,098</u>	<u>\$ 83,577,533</u>	<u>\$ 80,911,235</u>	<u>\$ 78,512,412</u>	<u>\$ 75,327,767</u>	<u>\$ 74,408,932</u>

TABLE 2

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

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities:										
General government	\$ 5,012,849	\$ 2,892,490	\$ 3,488,861	\$ 2,360,988	\$ 5,068,504	\$ 5,237,130	\$ 4,549,832	\$ 3,687,078	\$ 5,172,224	\$ 2,107,160
Public safety	4,680,388	5,367,237	4,653,766	4,746,307	3,863,314	3,749,440	3,092,339	2,811,699	2,740,546	2,768,450
Public works	5,758,110	5,997,920	5,355,904	4,975,686	4,177,237	3,773,923	4,132,255	3,817,452	3,927,383	4,303,166
Recreation	618,773	806,586	689,235	661,809	481,008	452,503	438,095	457,629	400,118	445,570
Library	1,183,120	1,518,703	1,209,463	956,542	672,689	650,886	631,713	766,496	730,947	782,271
Human services	1,156,472	1,109,667	1,153,003	1,291,835	879,329	884,363	1,247,971	1,269,587	1,581,678	662,921
Education	60,756,248	55,226,175	47,615,905	51,516,128	44,234,592	43,166,230	42,793,916	41,508,765	39,388,446	39,092,555
Interest and fiscal charges	536,234	529,006	668,700	535,276	633,486	664,166	368,361	126,740	303,924	813,206
Total governmental activities expenses	<u>79,702,194</u>	<u>73,447,784</u>	<u>64,834,837</u>	<u>67,044,571</u>	<u>60,010,159</u>	<u>58,578,641</u>	<u>57,254,482</u>	<u>54,445,446</u>	<u>54,245,266</u>	<u>50,975,299</u>
Business-type activities:										
Sewer Authority Fund	2,092,478	2,144,828	1,960,249	1,823,722	1,744,844	1,660,757	1,536,411	1,759,090	2,084,109	1,762,351
Crystal Lake Sewers Fund	332,283	254,322	333,824	266,194	419,096	269,899	278,123	337,532	307,882	283,056
Nonmajor Enterprise Funds	628,249	623,946	623,670	615,266	604,939	589,272	599,312	601,445	565,454	523,811
Total business-type activities expenses	<u>3,053,010</u>	<u>3,023,096</u>	<u>2,917,743</u>	<u>2,705,182</u>	<u>2,768,879</u>	<u>2,519,928</u>	<u>2,413,846</u>	<u>2,698,067</u>	<u>2,957,445</u>	<u>2,569,218</u>
Total Primary Government Expenses	<u>\$ 82,755,204</u>	<u>\$ 76,470,880</u>	<u>\$ 67,752,580</u>	<u>\$ 69,749,753</u>	<u>\$ 62,779,038</u>	<u>\$ 61,098,569</u>	<u>\$ 59,668,328</u>	<u>\$ 57,143,513</u>	<u>\$ 57,202,711</u>	<u>\$ 53,544,517</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 726,293	\$ 481,078	\$ 990,471	\$ 1,013,569	\$ 1,757,466	\$ 1,415,276	\$ 1,157,275	\$ 1,132,407	\$ 972,411	\$ 438,631
Public safety	1,212,838	1,813,375	247,084	675,817	428,151	542,122	392,365	532,359	473,246	399,634
Public works	2,240	125,172	8,155	60,347	108,662	-	-	4,709	68,344	-
Recreation	140,981	180,212	292,913	286,678	278,849	273,758	239,705	266,066	257,876	359,494
Human services	10,838	25,579	47,633	193,763	167,453	191,152	252,608	239,187	180,843	26,259
Education	1,560,790	2,113,438	2,201,305	2,679,262	1,527,906	896,583	477,441	454,771	483,221	577,791
Operating grants and contributions	27,297,852	21,839,596	15,242,912	18,592,979	16,548,906	16,167,164	16,781,648	16,883,532	15,437,413	19,523,956
Capital grants and contributions	704,512	2,514,966	591,871	2,549,043	3,029,350	634,113	4,976,047	997,814	1,525,945	3,653,853
Total governmental activities program revenues	<u>31,656,344</u>	<u>29,093,416</u>	<u>19,622,344</u>	<u>26,051,458</u>	<u>23,846,743</u>	<u>20,120,168</u>	<u>24,277,089</u>	<u>20,510,845</u>	<u>19,399,299</u>	<u>24,979,618</u>
Business-type activities:										
Sewer Authority Fund	2,731,625	2,457,611	1,953,976	1,824,662	1,711,005	1,811,558	1,987,065	2,183,717	1,601,761	1,708,307
Crystal Lake Sewers Fund	247,181	263,235	329,805	417,105	378,160	308,883	239,252	235,445	246,247	226,372
Nonmajor Enterprise Funds	692,487	653,729	649,440	649,390	645,374	647,323	651,664	554,283	519,795	515,537
Total business-type activities program revenues	<u>3,671,293</u>	<u>3,374,575</u>	<u>2,933,221</u>	<u>2,891,157</u>	<u>2,734,539</u>	<u>2,767,764</u>	<u>2,877,981</u>	<u>2,973,445</u>	<u>2,367,803</u>	<u>2,450,216</u>
Total Primary Government Program Revenues	<u>\$ 35,327,637</u>	<u>\$ 32,467,991</u>	<u>\$ 22,555,565</u>	<u>\$ 28,942,615</u>	<u>\$ 26,581,282</u>	<u>\$ 22,887,932</u>	<u>\$ 27,155,070</u>	<u>\$ 23,484,290</u>	<u>\$ 21,767,102</u>	<u>\$ 27,429,834</u>
Net revenues (expenses):										
Governmental activities	\$ (48,045,850)	\$ (44,354,368)	\$ (45,212,493)	\$ (40,993,113)	\$ (36,163,416)	\$ (38,458,473)	\$ (32,977,393)	\$ (33,934,601)	\$ (34,845,967)	\$ (25,995,681)
Business-type activities	618,283	351,479	15,478	185,975	(34,340)	247,836	464,135	275,378	(589,642)	(119,002)
Total Primary Government Net Expense	<u>\$ (47,427,567)</u>	<u>\$ (44,002,889)</u>	<u>\$ (45,197,015)</u>	<u>\$ (40,807,138)</u>	<u>\$ (36,197,756)</u>	<u>\$ (38,210,637)</u>	<u>\$ (32,513,258)</u>	<u>\$ (33,659,223)</u>	<u>\$ (35,435,609)</u>	<u>\$ (26,114,683)</u>

(Continued on next page)

TABLE 2

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

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 47,330,283	\$ 46,552,654	\$ 44,468,447	\$ 43,595,630	\$ 41,020,985	\$ 40,669,789	\$ 37,651,098	\$ 36,483,519	\$ 35,911,010	\$ 34,678,508
Grants and contributions not restricted to specific programs	88,849	50,613	26,898	165,345	160,304	175,887	189,781	340,532	535,251	126,120
Unrestricted investment earnings	180,487	301,052	427,497	249,891	77,361	29,816	69,328	15,312	51,773	(26,160)
Miscellaneous	353,420	175,709	-	-	-	-	-	-	-	-
Transfers	(29,375)	(33,500)	(37,500)	-	(45,250)	(49,000)	(52,750)	(260,000)	(70,291)	(79,938)
Total governmental activities	47,923,664	47,046,528	44,885,342	44,010,866	41,213,400	40,826,492	37,857,457	36,579,363	36,427,743	34,698,530
Business-type activities:										
Unrestricted investment earnings	8,369	125,741	183,999	98,040	27,671	1,443	194	4,505	1,794	2,410
Transfers	29,375	33,500	37,500	-	45,250	49,000	52,750	260,000	70,291	79,938
Total business-type activities	37,744	159,241	221,499	98,040	72,921	50,443	52,944	264,505	72,085	82,348
Total Primary Government	\$ 47,961,408	\$ 47,205,769	\$ 45,106,841	\$ 44,108,906	\$ 41,286,321	\$ 40,876,935	\$ 37,910,401	\$ 36,843,868	\$ 36,499,828	\$ 34,780,878
Change in Net Position:										
Governmental activities	\$ (122,186)	\$ 2,692,160	\$ (327,151)	\$ 3,017,753	\$ 5,049,984	\$ 2,368,019	\$ 4,880,064	\$ 2,644,762	\$ 1,581,776	\$ 8,702,849
Business-type activities	656,027	510,720	236,977	284,015	38,581	298,279	517,079	539,883	(517,557)	(36,654)
Total Primary Government	\$ 533,841	\$ 3,202,880	\$ (90,174)	\$ 3,301,768	\$ 5,088,565	\$ 2,666,298	\$ 5,397,143	\$ 3,184,645	\$ 1,064,219	\$ 8,666,195

TABLE 3

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

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	259,407	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	8,621,323	9,008,378	7,730,242	6,964,229	6,379,338	5,964,646	5,544,838	4,967,019	4,613,565	4,274,790
Assigned	2,970,608	1,824,156	3,047,746	3,668,890	3,336,518	4,472,781	3,341,901	3,983,701	1,061,457	970,382
Unassigned	3,554,601	3,403,758	1,338,387	2,059,204	2,590,354	1,750,335	1,867,100	2,094,065	4,792,253	3,337,577
Total General Fund	<u>\$ 15,146,532</u>	<u>\$ 14,236,292</u>	<u>\$ 12,116,375</u>	<u>\$ 12,692,323</u>	<u>\$ 12,306,210</u>	<u>\$ 12,187,762</u>	<u>\$ 11,013,246</u>	<u>\$ 11,044,785</u>	<u>\$ 10,467,275</u>	<u>\$ 8,582,749</u>
All other governmental funds:										
Nonspendable	\$ 70,391	\$ 78,564	\$ 74,590	\$ 55,683	\$ 56,794	\$ 57,905	\$ 59,969	\$ 62,715	\$ 59,881	\$ 61,109
Restricted	4,940,287	4,854,501	5,341,767	4,050,676	4,500,636	3,677,958	2,821,343	2,882,909	2,716,567	2,716,567
Committed	3,586,976	2,349,640	1,803,365	2,665,285	2,005,286	2,120,483	1,290,458	1,224,289	1,113,506	1,518,945
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(62,783)	(3,256,049)	(3,267,838)	(3,258,514)	(5,254,246)	(8,632,512)	2,617,069	(694,777)	(1,589,732)	(388,370)
Total All Other Governmental Funds	<u>\$ 8,534,871</u>	<u>\$ 4,026,656</u>	<u>\$ 3,951,884</u>	<u>\$ 3,513,130</u>	<u>\$ 1,308,470</u>	<u>\$ (2,776,166)</u>	<u>\$ 6,788,839</u>	<u>\$ 3,475,136</u>	<u>\$ 2,300,222</u>	<u>\$ 3,908,251</u>

TABLE 4

TOWN OF ELLINGTON, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes, interest and lien fees	\$ 47,391,833	\$ 46,433,841	\$ 44,470,458	\$ 43,643,949	\$ 41,134,356	\$ 40,924,360	\$ 37,720,924	\$ 36,379,511	\$ 35,221,229	\$ 34,334,410
Intergovernmental revenues	21,129,111	20,449,312	18,898,644	18,250,750	19,906,476	16,975,273	21,920,370	18,279,731	17,574,066	20,524,996
Charges for services	1,495,801	1,985,263	3,511,090	4,397,226	3,042,747	2,206,109	1,495,631	1,612,994	1,395,022	1,223,665
Investment income	20,314	262,857	427,540	249,891	130,047	9,887	(23,084)	68,580	51,773	(26,160)
Other local revenues	2,792,533	3,018,108	475,986	519,098	1,005,138	1,134,602	1,143,281	1,313,906	1,409,290	1,350,431
Total revenues	<u>72,829,592</u>	<u>72,149,381</u>	<u>67,783,718</u>	<u>67,060,914</u>	<u>65,218,764</u>	<u>61,250,231</u>	<u>62,257,122</u>	<u>57,654,722</u>	<u>55,651,380</u>	<u>57,407,342</u>
Expenditures:										
Current:										
General government	1,974,331	1,734,741	1,702,215	1,531,117	1,480,368	1,432,694	1,404,465	1,315,806	1,402,541	1,351,347
Board and agencies	111,711	101,470	125,925	107,064	118,433	109,798	97,454	95,993	95,230	87,726
Public safety	3,505,657	3,909,808	3,326,155	3,637,499	3,203,054	2,863,610	2,442,775	2,283,245	2,252,001	2,165,477
Public works	4,098,906	4,666,249	3,927,874	3,751,595	3,902,341	3,380,905	3,752,066	3,429,914	3,419,145	3,550,914
Recreation	388,628	435,600	457,988	479,758	481,008	452,503	438,095	457,629	400,118	387,352
Library	698,833	679,654	622,760	622,512	597,624	572,804	557,052	689,922	661,350	629,923
Human Services	789,028	876,549	764,378	681,067	633,693	633,748	659,203	636,646	590,221	576,304
Town properties	814,963	749,294	939,789	693,116	766,685	701,597	705,558	594,015	530,147	478,335
Education	50,502,925	48,652,526	48,136,406	42,806,046	40,678,815	39,371,523	39,195,495	37,658,420	35,342,309	33,773,953
Other	2,974,691	3,076,672	3,082,443	6,441,636	6,284,881	6,297,963	6,112,188	5,972,866	5,746,113	6,462,965
Capital outlay	2,413,735	2,841,461	2,979,490	1,344,264	1,805,529	10,967,463	12,625,121	4,941,834	2,950,917	1,311,405
Debt service:										
Principal retirement	2,213,072	2,018,399	2,380,840	2,259,027	2,016,595	2,051,728	1,843,512	1,718,671	1,908,085	1,788,868
Interest	615,726	575,697	636,455	676,824	710,332	755,384	433,928	208,870	392,415	606,862
Total expenditures	<u>71,102,206</u>	<u>70,318,120</u>	<u>69,082,718</u>	<u>65,031,525</u>	<u>62,679,358</u>	<u>69,591,720</u>	<u>70,266,912</u>	<u>60,003,831</u>	<u>55,690,592</u>	<u>53,171,431</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,727,386</u>	<u>1,831,261</u>	<u>(1,299,000)</u>	<u>2,029,389</u>	<u>2,539,406</u>	<u>(8,341,489)</u>	<u>(8,009,790)</u>	<u>(2,349,109)</u>	<u>(39,212)</u>	<u>4,235,911</u>
Other Financing Sources (Uses):										
Bonds issued	2,145,000				1,375,000		10,630,000	4,361,533		
Capital lease	624,424	396,928	1,199,306	561,384	333,928		455,297		386,000	
Premium on issuance of debt	271,487						259,407			
Premium on refunding bonds	3,200,000									606,812
Payment to refunded bond escrow agent	393,324									(8,721,720)
Issuance of refunding bonds	(3,533,527)									8,240,000
Transfers in from other funds	47,025		302,632	1,279,066	786,484		274,730	1,359,061		91,077
Transfers out to other funds	(299,400)	(33,500)	(340,132)	(1,279,066)	(831,734)	(49,000)	(52,750)	(534,730)	(1,429,352)	(171,015)
Total other financing sources (uses)	<u>2,848,333</u>	<u>363,428</u>	<u>1,161,806</u>	<u>561,384</u>	<u>1,663,678</u>	<u>(49,000)</u>	<u>11,291,954</u>	<u>4,101,533</u>	<u>315,709</u>	<u>45,154</u>
Net Change in Fund Balances	4,575,719	2,194,689	(137,194)	2,590,773	4,203,084	(8,390,489)	3,282,164	1,752,424	276,497	4,281,065
Fund Balance at Beginning of Year	<u>19,105,684</u>	<u>16,068,259</u>	<u>16,205,453</u>	<u>13,614,680</u>	<u>9,411,596</u>	<u>17,802,085</u>	<u>14,519,921</u>	<u>12,767,497</u>	<u>12,491,000</u>	<u>8,209,935</u>
Fund Balance at End of Year	<u>\$ 23,681,403</u>	<u>\$ 18,262,948</u>	<u>\$ 16,068,259</u>	<u>\$ 16,205,453</u>	<u>\$ 13,614,680</u>	<u>\$ 9,411,596</u>	<u>\$ 17,802,085</u>	<u>\$ 14,519,921</u>	<u>\$ 12,767,497</u>	<u>\$ 12,491,000</u>
Debit Service as a Percentage to Noncapital Expenditures	4.11%	3.83%	4.56%	4.65%	4.56%	4.85%	4.02%	3.60%	4.28%	4.72%

TABLE 5

**TOWN OF ELLINGTON, CONNECTICUT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Real Property			Total RE Exemptions	Personal Property	Motor Vehicle	Total Taxable Assessed Value	Total Direct Tax Rate	Taxable Estimated Actual Taxable Value	Assessed Value As a Percentage of Actual Taxable Value
	Residential	Commercial	Industrial							
2021	\$ 1,027,560,949	\$ 220,621,090	\$ 38,051,780	\$ (35,667,240)	\$ 92,441,619	\$ 159,848,570	\$ 1,502,856,768	32.6	\$ 48,993,131	70%
2020	1,019,124,313	191,390,400	18,217,200	(10,145,405)	63,560,638	148,746,155	1,430,893,301	32.6	46,647,122	70%
2019	1,022,801,783	186,170,740	18,178,320	(13,021,470)	56,872,222	142,923,980	1,413,925,575	31.7	44,821,441	70%
2018	1,014,178,621	174,169,550	18,013,700	(13,149,600)	53,839,455	137,867,285	1,384,919,011	31.7	43,901,933	70%
2017	990,758,392	165,980,540	18,318,620	(6,640,070)	51,014,877	134,557,157	1,353,989,516	30.5	41,296,680	70%
2016	977,904,755	162,195,490	17,488,550	(6,502,990)	46,312,830	130,222,777	1,327,621,412	30.5	40,492,453	70%
2015	987,684,153	141,417,630	18,118,470	(6,187,770)	45,777,946	124,565,500	1,311,375,929	28.7	37,636,489	70%
2014	977,255,086	137,050,440	18,070,990	(6,186,580)	44,136,675	121,673,858	1,292,000,469	28.4	35,400,813	70%
2013	967,013,366	134,208,135	17,693,070	(5,122,080)	40,308,440	117,200,796	1,271,301,727	27.9	35,469,318	70%
2012	958,591,662	129,111,593	17,732,780	(5,297,910)	39,086,761	116,833,748	1,256,058,634	27.5	34,541,612	70%

Source: Town of Ellington Office of Tax Assessor

TABLE 6

**TOWN OF ELLINGTON, CONNECTICUT
PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Town Direct Rates			
	General Town Government Rate	Board of Education Rate	Debt Service Rate	Total Direct Rate
2021	10.30	20.90	1.40	32.6
2020 (a)	9.89	21.24	1.46	32.6
2019	9.25	20.80	1.65	31.7
2018	9.39	20.47	1.84	31.7
2017	8.99	19.89	1.61	30.5
2016	8.89	19.81	1.80	30.5
2015	8.38	18.96	1.35	28.7
2014 (a)	8.25	18.63	1.53	28.4
2013	8.12	18.27	1.51	27.9
2012	7.86	17.94	1.70	27.5

Note: The Town has no overlapping debt.

(a) - Revaluation year

Source: Town of Ellington Finance Department

TABLE 7

**TOWN OF ELLINGTON, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEARS 2021 AND 2012**

Taxpayer	Grand List Year 10/1/2019			Taxpayer	Grand List Year 10/1/2010		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
AUTUMN CHASE LLC	\$ 27,854,770	1	2.15	DEER VALLEY LLC	\$ 22,039,640	1	1.73
DEER VALLEY NORTH LLC	26,828,100	2	2.07	AUTUMN CHASE LLC	18,035,270	2	1.42
DEER VALLEY LLC	26,668,440	3	2.06	CORNERSTONE ELLINGTON LLC	10,236,380	3	0.80
CONNECTICUT LIGHT + POWER CO	17,665,900	4	1.36	CONNECTICUT WATER COMPANY	8,384,330	4	0.66
CORNERSTONE ELLINGTON LLC	10,566,780	5	0.82	CONNECTICUT LIGHT + POWER CO	7,939,760	5	0.62
CONNECTICUT WATER COMPANY	9,918,000	6	0.77	CORNFIELD ASSOC LIMITED PTNRSH	6,711,890	6	0.53
ELLINGTON CORNFIELD ASSOC LLC	9,039,210	7	0.70	JOHNNY APPLESEED LLC	4,553,150	7	0.36
WEST ROAD LIMITED PARTNERSHIP	8,228,200	8	0.64	GPT-HIGH MEADOW LLC	4,402,500	8	0.35
NATURAL COUNTRY FARMS INC	6,173,100	9	0.48	MEADOWBROOK APARTMENTS LLC	4,268,730	9	0.34
OAKRIDGE DAIRY LLC	5,924,975	10	0.46	QUANTUM OF ELLINGTON II LLC	3,819,380	10	0.30
Total	\$ 148,867,475		11.50		\$ 90,391,030		7.10

Source: Town of Ellington, Office of Tax Assessor

TABLE 8

**TOWN OF ELLINGTON, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Tax Rate In Mills	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of Levy		Collections In Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2021	32.6	\$ 47,144,136	\$ 46,789,173	99.2%	\$ 803,992	\$ 380,723	47%
2020	32.6	46,435,907	46,043,904	99.2%	622,125	191,242	31%
2019	31.7	44,342,640	44,059,691	99.4%	613,961	188,020	31%
2018	31.7	43,371,144	43,133,192	99.5%	727,949	272,383	37%
2017	30.5	40,882,815	40,648,318	99.4%	708,857	210,438	30%
2016	30.5	40,405,604	40,168,926	99.4%	1,085,524	539,655	50%
2015	28.7	37,320,836	36,992,464	99.1%	1,223,212	444,891	36%
2014	28.4	36,315,834	35,893,052	98.8%	1,135,905	401,357	35%
2013	27.9	35,308,881	34,866,838	98.7%	1,224,558	398,272	33%
2012	27.5	34,331,007	33,887,727	98.7%	1,238,107	397,374	32%

TABLE 9

**TOWN OF ELLINGTON, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Bonds General Obligation Bonds	Accumulated Resources Restricted for Debt Repayment	Net Bonded Debt	Ratio of Net General Bonded Debt to Estimated Actual Taxable Value	Bonded Debt Per Capita (not rounded)	Other Debt Capital Leases	Total Debt	Debt Per Capita (not rounded)	Percentage of Debt to Personal Income
2021	\$ 15,065,000	\$ -	\$ 15,065,000	30.75%	\$ 932	\$ 1,369,588	\$ 16,434,588	1,016	0.16%
2020	14,935,000	-	14,935,000	32.02%	909	1,383,629	16,318,629	993	0.16%
2019	16,655,000	-	16,655,000	37.16%	1,011	1,322,717	17,977,717	1,092	0.19%
2018	18,207,465	-	18,207,465	41.47%	1,117	650,515	18,857,980	1,157	0.22%
2017	20,190,399	-	20,190,399	48.89%	1,249	382,483	20,572,882	1,273	0.23%
2016	20,732,245	-	20,732,245	51.20%	1,292	225,149	20,957,394	1,306	0.25%
2015	22,683,464	-	22,683,464	60.27%	1,425	416,876	23,100,340	1,451	0.27%
2014	13,208,689	-	13,208,689	37.31%	837	456,025	13,664,714	866	0.17%
2013	10,214,286	-	10,214,286	28.80%	648	889,696	11,103,982	704	0.14%
2012	11,793,087	-	11,793,087	34.14%	747	1,005,234	12,798,321	811	0.16%

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

TABLE 10

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

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 324,872,618	\$ 311,050,327	\$ 311,050,327	\$ 305,431,966	\$ 288,098,167	\$ 287,986,153	\$ 264,344,381	\$ 256,809,119	\$ 249,773,762	\$ 242,603,977
Total net debt applicable to limit	15,867,812	18,725,658	16,655,000	23,220,658	28,109,574	34,570,000	23,235,000	14,422,375	12,004,788	13,704,709
Legal Debt Margin	<u>\$ 309,004,806</u>	<u>\$ 292,324,669</u>	<u>\$ 294,395,327</u>	<u>\$ 282,211,308</u>	<u>\$ 259,988,593</u>	<u>\$ 253,416,153</u>	<u>\$ 241,109,381</u>	<u>\$ 242,386,744</u>	<u>\$ 237,768,974</u>	<u>\$ 228,899,268</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.88%	6.02%	5.35%	7.60%	9.76%	12.00%	8.79%	5.62%	4.81%	5.65%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2021 debt limit can be found on Table 11 of this report.

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2021**

Total Tax Collections, (Including Interest and Lien Fees) Received by Treasurer	\$ 46,410,374
--	---------------

Base	\$ 46,410,374
------	---------------

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2.25 times base	\$ 104,423,342	\$	\$	\$	\$
4.50 times base		208,846,683			
3.75 times base			174,038,903		
3.25 times base				150,833,716	
3 times base					139,231,122
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total debt limitation	<u>104,423,342</u>	<u>208,846,683</u>	<u>174,038,903</u>	<u>150,833,716</u>	<u>139,231,122</u>
Indebtedness:					
General obligation bonds	5,009,000	9,496,000	560,000		
Bond anticipation notes					
Capital lease					
Authorized but unissued debt	<u> </u>	<u>802,812</u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total indebtedness	<u>5,009,000</u>	<u>10,298,812</u>	<u>560,000</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 99,414,342</u>	<u>\$ 198,547,871</u>	<u>\$ 173,478,903</u>	<u>\$ 150,833,716</u>	<u>\$ 139,231,122</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation, or \$324,872,618.

Note: School bonds authorized and unissued of \$801,312 are presented net of State grants in the amount of \$9,718,688.

**TOWN OF ELLINGTON, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population(1)	Per Capita Income(5)	Median Age(6)	School Enrollment(3)	Unemployment Rate(6)	Total Personal Income(6) (In Thousands)
2021	16,170	\$ 50,643	41	2,699	6.00%	\$ 640,570
2020	16,426	50,643	41	2,682	5.80%	640,570
2019	16,467	50,643	41	2,732	3.00%	563,770
2018	16,305	50,643	42	2,684	3.40%	536,802
2017	16,166	50,643	40	2,644	3.70%	546,033
2016	16,044	50,643	40	2,630	4.10%	532,853
2015	15,920	43,323	43	2,655	4.90%	545,870
2014	15,783	41,200	43	2,655	5.50%	519,120
2013	15,771	38,939	42	2,712	6.50%	490,631
2012	15,788	40,231	42	2,747	6.80%	506,911

(1) Source: Connecticut Department of Public Health and Census

(3) Source: Annual Budget

(5) Source: Census ACS

(6) Source: Advance CT

U.S. Census - American Fact Finder

Board of Education

U.S. Census data (2015-2019)

TABLE 13

**TOWN OF ELLINGTON, CONNECTICUT
PRINCIPAL EMPLOYERS
2021 AND 2011**

Employer	Nature of Business	2021			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Priority Urgent Care	Health Clinic	1,000	1	26%	0	10	0%
Town of Ellington	Municipality	513	2	13%	458	1	10%
Indian Valley Family YMCA	Youth Organization Center	200	3	5%	0	9	0%
Big Y	Supermarket	160	4	4%	160	2	3%
Country Pure Foods	Dairy Products/Fruit Juices	94	5	2%	109	3	2%
Kloter Farms Country Store	Retail Country Store	87	6	2%	84	4	2%
Earthlight	Solar Energy	85	7	2%	5	6	0%
LuAnn's Bakery	Bakery	85	8	2%	0	8	0%
Barn Yard/Great Country Garages	Retail Country Store	80	9	2%	0	7	0%
Dymotek	Plastic-Mold Manufacturer	63	10	2%	92	5	3%
Total		<u>2,367</u>		<u>60%</u>	<u>908</u>		<u>20%</u>

Source: Town of Ellington, Community Development Office/Assessor
Employees are full and part-time. Total town employment is based on full-time.

TABLE 14

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

	FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES AS OF JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Function/Program										
General government	41	36	36	37	38	36	36	37	37	36
Police	7	7	6	5	4	4	4	4	4	4
Fire	0	0	0	0	0	0	0	0	0	0
Refuse collection	0	0	0	0	0	0	0	0	0	0
Other public works	21	25	24	24	22	22	23	21	21	21
Parks and recreation	6	15	8	8	5	7	6	7	7	6
Library	8	6	6	5	5	5	5	5	5	5
Education	<u>430</u>	<u>426</u>	<u>431</u>	<u>417</u>	<u>416</u>	<u>403</u>	<u>404</u>	<u>399</u>	<u>392</u>	<u>391</u>
Total	<u><u>513</u></u>	<u><u>515</u></u>	<u><u>511</u></u>	<u><u>496</u></u>	<u><u>490</u></u>	<u><u>477</u></u>	<u><u>478</u></u>	<u><u>473</u></u>	<u><u>466</u></u>	<u><u>463</u></u>

TABLE 15

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

Function/Program	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Building permits issued	1,430	1,095	1,168	1,116	1162	1231	1164	1,184	1162	1218
Building inspections conducted	1,322	1,079	1,315	1,392	1,491	1,401	1,373	1,261	1,291	1,305
Police:										
Physical arrests	89	96	106	80	130	119	84	161	139	83
Parking violations	0	5	4	2	2	10	2	0	4	1
Traffic violations	350	864	1723	1360	1762	2263	2,411	2,923	3,254	3,472
Fire:										
Emergency responses	1136	903	903	801	787	774	774	689	743	698
Fires extinguished	72	43	22	31	39	51	43	37	48	40
Inspections	1705	1461	2115	1761	1341	1993	1095	996	1109	672
Refuse collection:										
Refuse collected (tons per day)	18.26	18.18	22.14	21.78	20.56	19.76	20.2	20.46	20.71	20.51
Recyclables collected (tons per day)	4.53	4.55	5.03	5.11	5.23	5.48	5.44	5.45	5.41	5.39
Other public works:										
Street resurfacing (miles)	2.18	4.04	3.96	5.52	5.12	7.88	7.47	5.51	4.65	4.15
Potholes repaired	12	NT	NT	NT	NT	NT	NT	NT	NT	NT
Parks and recreation:										
Athletic field permits issued	16	11	15	15	14	14	13	13	13	13
Community center admissions	0	0	0	0	0	0	0	0	0	0
Library:										
Volumes in collection	57,415	67,415	71,791	70,857	72,390	71,708	69,233	67,573	63,138	65,370
Total volumes borrowed	92,604	92,604	117,514	119,971	124,279	125,197	129,232	141,249	144,866	132,984
Water:										
New connections	0	0	0	0	0	0	0	0	0	0
Water main breaks	0	0	0	0	0	0	0	0	0	0
Average daily consumption (thousands of gallons)	0	0	0	0	0	0	0	0	0	0
Peak daily consumption (thousands of gallons)	0	0	0	0	0	0	0	0	0	0
Wastewater:										
Average daily sewage treatment (thousands of gallons)	619471 44095	593040 41491	634650 43417	639670 45900	542910 40350	507415 37712	500992 40720	589495 140713	520734 32580	334980 30488
Transit:										
Total route miles	66	650	3583	5321	8979	6425	16467	12255	16400	20388
Passengers	0	187	741	1613	1960	2356	2370	2044	2437	807

Source: Annual Reports, Budgets, and Department records

* Including digital titles

** Library buildings were closed 3/24-6/30/20

***NT (Not Tracked), pot holes will be tracked starting 21-22

TABLE 16

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

Function/Program	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	5	5	5	5	5	5	5
Fire stations	3	3	3	3	3	2	2	2	2	2
Refuse collection:										
Collection trucks	0	0	0	0	0	0	0	0	0	0
Other public works:										
Streets (miles)	101.13	101.13	101.13	100.13	99.13	99.13	99.13	98.13	98.13	98.13
Streetlights	595	595	595	595	590	590	590	590	590	590
Traffic signals	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Acreage	106.41	106.41	106.41	106.41	106.41	106.41	86.28	86.28	86.28	86.28
Playgrounds	1	1	1	1	1	1	1	1	1	1
Baseball/softball diamonds	5	5	5	5	5	5	5	5	5	5
Soccer/football fields	6	6	6	6	6	6	6	6	6	6
Community centers	0	0	0	0	0	0	0	0	0	0
Water:										
Water mains (miles)	**	**	**	**	**	**	**	**	**	**
Fire hydrants	221	221	226	226	226	226	226	226	223	213
Storage capacity (thousands of gallons)	**	**	**	**	**	**	**	**	**	**
Wastewater:										
Sanitary sewers (miles)	43.77	43.77	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Storm sewers (miles)	101.13	101.13	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Treatment capacity (thousands of gallons)*	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transit - mini-buses	1	1	1	1	1	1	1	1	1	1

Source: Annual Reports, Budgets and Department records

*all outsource to Town of Vernon and Town of Stafford

**all owned and operated by CT Water Company

TOWN OF ELLINGTON, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
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TOWN OF ELLINGTON, CONNECTICUT
FEDERAL SINGLE AUDIT REPORT
JUNE 30, 2021
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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Members of the Board of Finance
Town of Ellington, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Ellington, Connecticut's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town of Ellington, Connecticut's major federal programs for the year ended June 30, 2021. The Town of Ellington, Connecticut's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Ellington, Connecticut's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Ellington, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Ellington, Connecticut's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Ellington, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town of Ellington, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Ellington, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002, that we consider to be a significant deficiency.

The Town of Ellington, Connecticut's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Ellington, Connecticut's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements. We issued our report thereon dated December 3, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Agriculture			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Child Nutrition Cluster:			
National School Lunch Program	10.555	12060-SDE64370-20560	\$ 64,706
National School Lunch Program	10.555	12060-SDE64370-20560	523,394
COVID-19 National School Lunch Program - CARES	10.555	12060-SDE64370-29572	32,121
COVID-19 School Breakfast Program - CARES	10.555	12060-SDE64370-29576	11,000
School Breakfast Program	10.553	12060-SDE64370-20508	90,788
			<u>\$ 722,009</u>
United States Department of Transportation			
<i>Passed Through the State of Connecticut Department of Transportation:</i>			
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	12062-DOT57931-21361	50,400
Alcohol Open Container Requirements	20.607	12062-DOT57513-22091	<u>7,872</u>
Total United States Department of Transportation			<u>58,272</u>
United States Department of Education			
<i>Passed Through the State of Connecticut Department of Education:</i>			
Special Education Cluster (IDEA):			
Special Education_Grants to States	84.027	12060-SDE64370-20977-2021	410,114
Special Education_Grants to States	84.027	12060-SDE64370-20977-2020	26,729
COVID-19 - Special Education_Grants to States	84.027	12060-SDE64370-20977	4,251
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2021	6,355
Special Education_Preschool Grants	84.173	12060-SDE64370-20983-2020	<u>3,351</u>
			450,800
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2021	50,343
Title I Grants to Local Educational Agencies	84.010	12060-SDE64370-20679-2020	<u>1,493</u>
			51,836
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2021	12,473
Career and Technical Education -- Basic Grants to States	84.048	12060-SDE64370-20742-2020	<u>4,845</u>
			17,318
Improving Teacher Quality State Grants	84.367	12060-SDE64370-20858-2021	27,555
Title IV - Student Support	84.424	12060-SDE64370-22854-2020	6,788
Help America Vote Act Requirements Payments	90.401	12060-SOS12500-21465	10,794
COVID 19 - ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2021	111,521
COVID 19 - ESSERF K-12 Fund	84.425D	12060-SDE64370-29571-2020	<u>51,396</u>
			<u>162,917</u>
Total United States Department of Education			<u>728,008</u>
United States Department of the Treasury			
<i>Passed Through the State of Connecticut Department of Education:</i>			
COVID 19 - Coronavirus Relief Fund	21.019	12060-SDE64370-29561-2020	140,000
<i>Passed Through the State of Connecticut Office of Policy and Management:</i>			
COVID 19 - Coronavirus Relief Fund	21.019	12060-OPM20600-29561	12,268
COVID 19 - Coronavirus Relief Fund	21.019	12060-OPM20600-29561	<u>126,835</u>
			<u>139,103</u>
Total United States Department of the Treasury			<u>279,103</u>
United States Department of Health and Human Services			
<i>Passed Through the State of Connecticut Department of Rehabilitation Services:</i>			
Aging Cluster:			
COVID-19 - Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers - CARES	93.044	12060-SDR63901-29556	<u>6,474</u>
Total Federal Awards			<u><u>\$ 1,793,866</u></u>

The accompanying notes are an integral part of this schedule

**TOWN OF ELLINGTON, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Ellington, Connecticut, under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Town of Ellington, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of Ellington, Connecticut.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

The Town of Ellington, Connecticut, has elected not to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

3. NONCASH AWARDS

Donated commodities in the amount of \$64,706 are included in the Department of Agriculture's National School Lunch Program, ALN #10.555. The amount represents the market value of commodities received.



**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Members of the Board of Finance
Town of Ellington, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements, and have issued our report thereon dated December 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Ellington, Connecticut's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ellington, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Ellington, Connecticut's Response to Findings

The Town of Ellington, Connecticut's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Ellington, Connecticut's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ellington, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	_____	yes	_____	X	no
• Significant deficiency(ies) identified?	_____	X	yes	_____	none reported
Noncompliance material to financial statements noted?	_____	yes	_____	X	no

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	_____	yes	_____	X	no
• Significant deficiency(ies) identified?	_____	X	yes	_____	yes

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____

_____	X	yes	_____	no
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Major programs:

ALN #	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____

_____	yes	_____	X	no
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II. FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Prior Period Adjustment - Unbilled receivables

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting

Criteria

The Town must prepare its financial statements in accordance with generally accepted accounting principles.

Condition

Unbilled receivables were not recorded in the Town's enterprise funds.

Questioned Costs

None noted.

Context

Unbilled receivables of \$634,501 were not recorded.

Effect

The financial statements are not presented in accordance with generally accepted accounting principles.

Cause

Unknown.

Recommendation

We recommend that the Town strengthen its accounting procedures and controls to ensure that this accrual is made when appropriate.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**Finding No. 2021-002**

Procurement and Suspension and Debarment

Program

All Federal Programs

Pass-Through Agency

State of Connecticut Department of Education

Type of Finding

Significant Deficiency in Internal Control over Compliance

Criteria or specific requirement

The Town must comply with procurement standards set out at 2 CFR sections 200.318 through 200.326 within Uniform Guidance.

Condition

The Town's procurement standards did not include the essential elements as outlined in 2 CFR sections 200.318 through 200.326.

Questioned Costs

None noted.

Context

Although the BOE did not have a policy in place in conformity with the federal uniform guidance criteria, the BOE did follow their own policy and was in compliance with the Town's major program.

Effect

With the absence of a compliant policy, the Town is at risk for noncompliance as it relates to federal procurement.

Cause

Unknown.

Recommendation

We recommend that the Town review its formal procurement policies and make necessary changes to comply with the criteria as set out in 2 CFR sections 200.318 and 200.326.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.

TOWN OF ELLINGTON, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2021



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TOWN OF ELLINGTON, CONNECTICUT
STATE SINGLE AUDIT REPORT
JUNE 30, 2021
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Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

To the Members of the Board of Finance
Town of Ellington, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Ellington, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town of Ellington, Connecticut's major state programs for the year ended June 30, 2021. The Town of Ellington, Connecticut's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Ellington, Connecticut's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Ellington, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of Ellington, Connecticut's compliance.

Opinion on Each Major State Program

In our opinion, the Town of Ellington, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town of Ellington, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Ellington, Connecticut's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control over compliance.

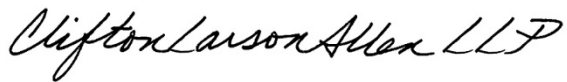
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements. We issued our report thereon dated December 3, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Department of Education		
Sheff Settlement	11000-SDE64370-12457	\$ 115,779
Talent Development	11000-SDE64370-12552	4,302
Child Nutrition State Match	11000-SDE64370-16211	7,573
Health Foods Initiative	11000-SDE64370-16212	13,949
School Breakfast Program	11000-SDE64370-17046	13,578
Open Choice Program	11000-SDE64370-17053	\$ 432,402
Open Choice Program	11000-SDE64370-17053	<u>66,000</u>
		498,402
Total Department of Education		<u>653,583</u>
Department of Social Services		
Medicaid	11000-DSS60000-16020	<u>18,210</u>
Connecticut State Library		
Connecticard Payments	11000-CSL66051-17010	<u>2,219</u>
Department of Children and Families		
Youth Service Bureaus	11000-DCF91141-17052	14,189
Youth Service Bureau Enhanceme	11000-DCF91141-17107	<u>8,588</u>
Total Department of Children and Families		<u>22,777</u>
Department of Transportation		
Town Aid Road-STO	13033-DOT57131-43459	170,697
Let's Go CT Ramp-up Program	13033-DOT57551-43667	309,025
Town Aid Road Grants-Municipal	12052-DOT57131-43455	170,697
Bus Operations	12001-DOT57931-12175	<u>27,023</u>
Total Department of Transportation		<u>677,442</u>
Office of Early Childhood		
Child Care Quality Enhancement	11000-OEC64845-16158	3,884
Early Care and Education	11000-OEC64845-16274	<u>132,508</u>
Total Office of Early Childhood		<u>136,392</u>

The accompanying notes are an integral part of this schedule

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	State Grant Program Core-CT Number	Expenditures
Office of Policy and Management		
Neglected Cemetery Account	12060-OPM20600-35570	\$ 2,500
Reimbrs Twns-Tx Los On St Prop	11000-OPM20600-17004	4,540
Reimbrs Prop Tx-Disabil Exmptn	11000-OPM20600-17011	1,715
Prop Tax Relief For Veterans	11000-OPM20600-17024	11,859
Local Capital Improvement	12050-OPM20600-40254	123,301
MUNICIPAL PURPOSES & PROJECTS	12052-OPM20600-43587	<u>223,527</u>
Total Office of Policy and Management		<u>367,442</u>
Total State Financial Assistance Before Exempt Programs		<u>1,878,065</u>
Exempt Programs		
Department of Education		
Education Cost Sharing	11000-SDE64370-17041-82010	10,007,454
Excess Cost - Student Based	11000-SDE64370-17047	<u>547,074</u>
Total Department of Education		<u>10,554,528</u>
Office of Policy and Management		
Grants To Towns	12009-OPM20600-17005	<u>4,081</u>
Total Exempt Programs		<u>10,558,609</u>
Total State Financial Assistance		<u>\$ 12,436,674</u>

The accompanying notes are an integral part of this schedule

**TOWN OF ELLINGTON, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of Ellington, Connecticut, under programs of the State of Connecticut for the year ended June 30, 2021. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of the Town of Ellington, Connecticut, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of Ellington, Connecticut.

Basis of Accounting

The accounting policies of the Town of Ellington, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Expenditures reported on the Schedule are presented on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.



**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Members of the Board of Finance
Town of Ellington, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Ellington, Connecticut, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Ellington, Connecticut's basic financial statements, and have issued our report thereon dated December 3, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Ellington, Connecticut's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Town of Ellington, Connecticut's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Ellington, Connecticut's Response to Findings

The Town of Ellington, Connecticut's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Ellington, Connecticut's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Ellington, Connecticut's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ellington, Connecticut's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021

**TOWN OF ELLINGTON, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- | | | | | | |
|---|-------|-----|-------|-------|---------------|
| • Material weakness(es) identified? | _____ | yes | _____ | X | no |
| • Significant deficiency(ies) identified? | _____ | X | yes | _____ | none reported |
| Noncompliance material to financial statements noted? | _____ | yes | _____ | X | no |

State Financial Assistance

Internal control over major programs:

- | | | | | | |
|---|-------|-----|-------|---|---------------|
| • Material weakness(es) identified? | _____ | yes | _____ | X | no |
| • Significant deficiency(ies) identified? | _____ | yes | _____ | X | none reported |

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with Section 4-236-24 of the Regulations to
the State Single Audit Act?

_____ yes _____ X no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Education:		
Open Choice Program	11000-SDE64370-17053	\$ 498,402
Department of Transportation:		
Let's Go CT Ramp-up Program	13033-DOT57551-43667	309,025
Town Aid Road-STO	13033-DOT57131-43459	170,697
Town Aid Road Grants-Municipal	12052-DOT57131-43455	170,697
Office of Policy and Management:		
Municipal Purposes & Projects	12052-OPM20600-43587	223,527
Dollar threshold used to distinguish between type A and type B programs:		\$ 200,000

II. FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Prior Period Adjustment - Unbilled receivables

Type of Finding

Significant Deficiency in Internal Control over Financial Reporting

Criteria

The Town must prepare its financial statements in accordance with generally accepted accounting principles.

Condition

Unbilled receivables were not recorded in the Town's enterprise funds.

Questioned Costs

None noted.

Context

Unbilled receivables of \$634,501 were not recorded.

Effect

The financial statements are not presented in accordance with generally accepted accounting principles.

Cause

Unknown.

Recommendation

We recommend that the Town strengthen its accounting procedures and controls to ensure that this accrual is made when appropriate.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with this finding.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.



Management
Town of Ellington, Connecticut

In planning and performing our audit of the financial statements of Town of Ellington, Connecticut as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. This letter does not affect our report on the financial statements dated December 3, 2021, nor our internal control communication dated December 3, 2021.

Board of Education Reconciliation

During the fiscal year there were instances within the General Fund where various transactions were not timely communicated to all necessary parties causing some discrepancies between the Board of Education records and the amounts reported on the financial management system. Although the Town and Board of Education worked together to solve the discrepancies later in the fiscal year, reconciling a year's worth of activity can be time consuming and could potentially lead to errors during the year.

Recommendation - We recommend that the Board of Education strengthen monthly control procedures to ensure this activity is accurately reported and adjustments posted on an ongoing basis.

Fraud Risk Assessment

It is estimated that U.S. businesses, including municipalities, lose up to 7% of annual revenue to fraud. Municipalities are especially vulnerable due to the large amounts of cash collected in the tax collector's office, in addition to decentralized cash collection points such as transfer stations, student activities, recreation programs, etc. Although fraud may take many forms, asset misappropriation is the most common. Internally, fraudulent disbursements and inventory theft account for most asset misappropriation frauds. This type of fraud often goes undetected for several years. Current economic and business conditions have created an environment in which the risk of fraud has increased dramatically.

During the annual audit, we obtain an understanding of the Town's and Board of Education's internal controls and assess the risk of fraud and whether or not the financial statements would be materially misstated due to these risks; however, an audit is designed to provide reasonable, but not absolute assurance. Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform an examination of all transactions, there is a risk that material misstatements or noncompliance or fraud may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs.

During our discussions with management, we noted that neither the Town nor the Board of Education has performed a fraud risk assessment. The objectives of a Fraud Risk Assessment are to gather perceptions of fraud risk and to promote fraud awareness and prevention across the entity. The Fraud Risk Assessment process starts with the gathering of information on the population of fraud risks that may apply to the entity. This includes consideration of various types of possible fraud schemes, scenarios and opportunities to commit fraud. This information is then used to assess the relative likelihood and potential significance of identified fraud risk based on historical information, known fraud schemes and interviews with staff and management. A report is prepared documenting fraud risk within the entity and setting forth suggested policies and procedures to help prevent and detect fraud.

Recommendation - We recommend that the Town and Board of Education have a Fraud Risk Assessment performed. A Fraud Risk Assessment is designed to proactively identify fraud risk, pinpoint opportunities to reduce the cost of fraud, determine whether adequate fraud prevention exists and to help create cost-effective fraud prevention and detection policies and procedures.

Fraud Tip Line

According to the *2018 Report to the Nations on Occupational Fraud and Abuse by the Association of Certified Fraud Examiners*, 40% of corruption cases are detected by tip. In contrast, management review, the second most common detection method for corruption cases, uncovered 13% of these schemes. External audits and reports from law enforcement accounted for far fewer discoveries of corruptions, just 4% and 2%, respectively, of these schemes. Additionally, of the whistleblower tips that led to the investigation of the cases, 53% of those tips came from an employee and another 14% came from an anonymous source.

Recommendation - We recommend that the Town, consider instituting a formal whistleblower policy that includes a tip line for employees to report suspected fraud or inconsistencies.

Cybersecurity

Cybersecurity has reached a new crossroads. Companies can no longer have a “wait and see” attitude toward securing operations and data. Proactively assessing and managing operations and IT environment(s) in anticipation of cyber threats is critical. Managing your organization’s risk to cyber threats starts with a consideration of the following:

- Cybersecurity is now considered a key business risk by most boards.
- Global spending on cybersecurity is projected to increase each of the next 10 years.
- Nearly 70% of funds expended due to a cyber event are unrecoverable.
- Ransomware attacks force the majority of impacted businesses to pay to get their data back.
- The scale of data breaches and lost funds due to phishing and business e-mail compromise is exponentially trending upward.
- Most companies do not know all locations where personal/confidential information is stored and/or how it is protected.
- With the most frequent cybersecurity attack vector migrating from the network perimeter, directly to the individual user, everyone who touches technology can be a point of exposure.

As such, cybersecurity strategies require a new approach to identify where critical information exists that needs to be protected, a new way of foreseeing and deterring the threats that could result in the theft of information or the loss of funds, and a new way to understand the overarching corporate risk associated with cyberattacks.

Recommendation - Understanding your baseline exposure to cyber threats is a critical best practice. An annual security and vulnerability risk assessment should be performed that identifies and evaluates exposures, hazards and/or potential for breach that could negatively impact an organization's ability to conduct business. These assessments help to identify the inherent cyber risks and provide measures, processes and controls to reduce the impact of these risks to business operations. From this assessment you should identify and locate personal/confidential information and understand how this information is secured and gain a clear understanding of potential for exposure.

Information Technology Controls

In support of the financial audit, the legacy firm of Blumshapiro performed an IT general controls review of the Information Technology function at the Town. A separate memo dated September 21, 2020 for the Town and October 14, 2020 for the Board of Education were provided to management related to the information technology review, which included findings and recommendations for the Town and Board of Education.

Recommendation - We recommend that management continue to address and resolve all findings included in the IT general controls review memo dated September 21, 2020 for the Town and October 14, 2020 for the Board of Education.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Finance, and others within the entity and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 3, 2021



STATE OF CONNECTICUT – COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

Finance Office

55 MAIN STREET – PO BOX 187
ELLINGTON, CONNECTICUT 06029-0187
TEL 870-3115 FAX 870-3158
www.ellington-ct.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Fiscal Year Ended June 30, 2021

PRIOR YEAR FINDINGS FULLY CORRECTED

Finding Number	Finding Name
2020-001	Material Weakness in Internal Control over Financial Reporting – Numerous Audit Adjustments
2020-002	Prior Period Adjustment – Depreciation



STATE OF CONNECTICUT – COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

Finance Office

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SINGLE AUDIT CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 2021

To Government Officials:

SINGLE AUDIT FINDINGS:

Finding 2021-001 Description of Finding	Significant Deficiency in Internal Control over Financial Reporting
	Prior period adjustment to correctly report unbilled amounts.
Statement of Concurrence or NonConcurrence Corrective Action	The Town concurs with the finding.
	The Town intends to take the appropriate actions to strengthen its internal control and remedy the conditions giving rise to this reported deficiency
Name of Contact Person	Tiffany Pignataro
Projected Completion Date	June 30, 2022
Finding 2021-002 Description of Finding	Procurement Suspension and Debarment
	The Board of Education's procurement policy has not been updated for the essential elements as outlined in 2 CFR sections 200.318 through 200.326.
Statement of Concurrence or NonConcurrence Corrective Action	The Town concurs with the finding.
	The Town intends to remediate this finding by drafting a new procurement policy that includes the essential elements outlined in 2 CFR sections 200.318 through 200.326.
Name of Contact Person	Tiffany Pignataro
Projected Completion Date	June 30, 2022