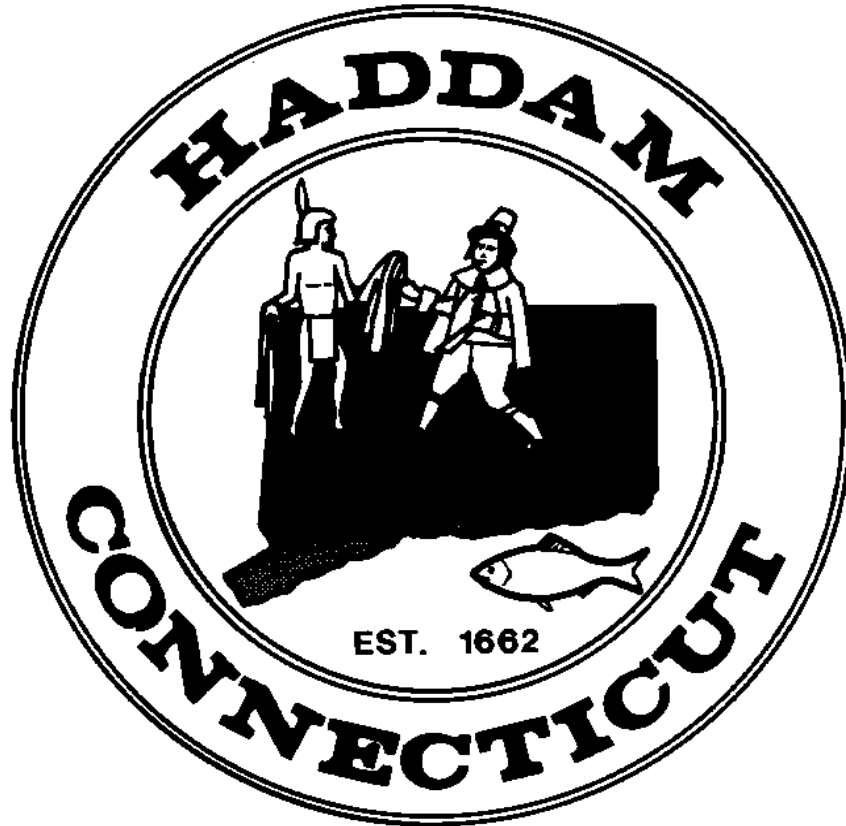


TOWN OF HADDAM, CONNECTICUT



Annual Financial Report

**For The Year Ended
June 30, 2019**

**TOWN OF HADDAM, CONNECTICUT
ANNUAL FINANCIAL REPORT
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Independent Auditors' Report

Independent Auditors' Report

To the Board of Finance
Town of Haddam, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Haddam, Connecticut, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Haddam, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Haddam, Connecticut, as of June 30, 2019 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension 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 Haddam, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and trend information 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 trend information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019 on our consideration of the Town of Haddam, 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 Haddam, 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 Haddam, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 17, 2019



Management's Discussion and Analysis



Management's Discussion and Analysis For the Year Ended June 30, 2019

As management of the Town of Haddam, we offer readers of the Town's financial statements this overview and analysis of the financial activities of the Town of Haddam for the fiscal year ended June 30, 2019.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$32,295,778 (*net position*). Of this amount, \$11,494,978 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$4,563,326. This was due substantially to capital asset additions in excess of depreciation of \$5,102,113 and the difference in the basis of account (modified accrual to accrual) for debt service principal payments of \$484,332 (Exhibit IV).
- As of the close of the current fiscal year, the Town's funds reported combined ending fund balances of \$12,309,513 a decrease of \$587,362 in comparison with the prior year. This decrease is substantially due to spending of the bond proceeds for road reconstruction that was issued in a prior year of \$1,735,976 offset by the increase in fund balances in the capital and nonrecurring fund of \$1,003,245 as a result of a year-end transfer of \$1,122,000.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,216,391, which represents 15.9% percent of total general fund expenditures and transfers out.
- Long-term liabilities decreased by a net of \$465,000 due to scheduled principal payments.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Haddam'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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The *statement of net position* and *statement of activities* report information for the Town as whole and attempt to present information in a way that helps answer this question. These statements are presented using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

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

30 Field Park Drive, Haddam, CT 06438
Phone (860) 345-8531*Fax (860) 345-3730

The *statement of activities* presents information showing how the Town's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and long-term liabilities).

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, and culture and recreation.

Fund financial statements. The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required by State law and others by grants agreements or Board of Finance action. However, the Town establishes many other funds to help it maintain control and manage resources that have been segregated for specific activities or objectives. Funds are also established to ensure and demonstrate compliance with finance related legal requirements for using certain grants. All of the funds of the Town can be divided into two categories: governmental 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 a 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.

For 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, the Capital Nonrecurring Fund and the Road Fund, which are considered to be major funds. Data from the other 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 in Exhibits B-1 and B-2 in this report.

Fiduciary funds. The Town is the trustee, or fiduciary, for its employees' and volunteer firefighters' pension plans. It is also responsible for other assets that the Town has custody of, but belong to others. All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position (Exhibits V and VI). We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) regarding the Town's pension funds.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found in Exhibits B-1 and B-2 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. This was due substantially to capital asset additions in excess of depreciation of \$5,102,113 and the difference in the basis of account (modified accrual to accrual) for debt service principal payments of \$484,332 (Exhibit IV).

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), 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.

Summary Statement of Net Position June 30, 2019 and 2018

	2019	2018
Current and other assets	\$ 15,170,418	\$ 14,100,668
Capital assets, net	<u>28,743,119</u>	<u>24,063,575</u>
Total assets	<u>43,913,537</u>	<u>38,164,243</u>
Deferred outflows of resources	<u>383,353</u>	<u>610,963</u>
Other liabilities outstanding	1,924,716	508,510
Long-term liabilities outstanding	<u>10,005,172</u>	<u>10,387,999</u>
Total liabilities	<u>11,929,888</u>	<u>10,896,509</u>
Deferred inflows of resources	<u>71,224</u>	<u>146,245</u>
Net investment in capital assets	20,673,201	19,497,944
Restricted	127,599	96,377
Unrestricted	<u>11,494,978</u>	<u>8,138,131</u>
Total Net Position	<u>\$ 32,295,778</u>	<u>\$ 27,732,452</u>

A portion of the Town's net position (\$127,599) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's net position increased by \$4,563,326 as presented in the statement of changes in net position below:

**Statement of Changes in Net Position
For the Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 639,178	\$ 518,678
Operating grants and contributions	2,037,486	2,067,690
Capital grants and contributions	4,118,056	377,190
General revenues:		
Property taxes	30,496,058	29,016,224
Grants and contributions not restricted to specific programs	48,605	165,627
Unrestricted investment earnings	85,530	57,582
Other general revenues	32,021	64,885
Total revenues	<u>37,456,934</u>	<u>32,267,876</u>
Expenses:		
General government	2,889,876	2,753,937
Public safety	1,041,549	1,088,719
Public works	2,959,747	2,460,422
Health and welfare	370,763	420,490
Miscellaneous organizations/recreation	879,188	570,320
Education	24,531,502	24,076,806
Interest expense	220,983	231,367
Total expenses	<u>32,893,608</u>	<u>31,602,061</u>
Change in net position	4,563,326	665,815
Net Position at Beginning of Year	<u>27,732,452</u>	<u>27,066,637</u>
Net Position at End of Year	<u>\$ 32,295,778</u>	<u>\$ 27,732,452</u>

Key elements of this decrease are as follows:

- Capital grants and contributions increased by \$3,740,866 due to the following projects:
 - Tylerville water project \$3,235,144
 - Scovil Hoe property remediation 63,866
 - Bus operations grant 29,410
- Unrestricted grants and contributions decreased due to cuts in state grants.
- Public works expenses increased by \$499,325 due the chip sealing program implemented during the fiscal year (\$119,392), one time projects and loss on disposal of capital assets, including roads.

Management's Discussion and Analysis (continued)

- Miscellaneous organizations/recreation increased by \$308,868 due to certain one-time expenses related to Library projects.
- Education expenses increased \$454,696 due to the increase in the Region School District budget assessment to the Town

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 a 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 \$12,309,513. The Town's components of fund balance are as follows:

- restricted for grants and the Small Cities revolving loan program of \$127,599
- committed for capital projects and special revenue activities of \$6,019,839
- assigned for debt service of 945,684
- unassigned of \$5,216,391.

The total fund balance decreased by \$587,362, which is substantially due to spending of the bond proceeds for road reconstruction that were issued in a prior year of \$1,735,976 offset by the increase in fund balance of the capital and nonrecurring fund of \$1,003,245. The balance of the Road Fund bond proceeds is expected to be spent by December 2019.

General Fund. The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general Fund was \$5,216,391. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 15.9% of total general fund expenditures and transfers out.

General fund operating results were an increase in fund balance of \$329,909. Key factors related to the operating results of the general fund were as follows:

Revenue factors

- Property taxes was in excess of budget by \$114,811 due to improved collection activity.
- Intergovernmental revenues were in excess of the budget by \$35,957 due to the receipt of miscellaneous grants that were not budgeted such as the highway safety grant for driving under the influence.

Expenditure factors

- Assessor department line was underspent by \$14,964 due to changes in personnel.
- Contingency line was underspent by \$16,344.
- Public safety was under budget by \$23,103 due to the retirement of the officer assigned to the Town and the new trooper assigned at a lower salary, lower costs for animal control and lower than expected costs for emergency management.

General Fund Budgetary Highlights

Budget Transfers

- Transfers out to the capital and nonrecurring fund was increased by \$1,122,000 funded from both additional revenue appropriations and transfers from various departments as follows:

Additional revenue appropriations	\$ 845,673
Transfers from other departments:	
General government	210,827
Public safety	34,500
Public works	9,500
Health and welfare	11,500
Culture and recreation	10,000
	<hr/>
Total	<u>\$ 1,122,000</u>

Capital Nonrecurring Fund. This fund accounts for the Town's annual budget appropriation that is the funding for the Town's ten-year capital plan. The ten-year capital plan includes funding for over 120 separate projects, many of which are being funded over multiple years. The capital nonrecurring fund's revenues and transfers exceeded its expenditures by \$1,003,245 due substantially to the additional year-end transfer from the general fund of \$1,122,000 as discussed above, to fund future capital purchases of public works plow trucks and other vehicles. Total fund balance at year end totaled \$3,553,167.

Road Fund. This fund accounts for the bonds issued for road reconstruction projects. The bonds were issued in a prior fiscal year. The Road Fund reported expenditures of \$1,735,976 during the year. The fund balance that remaining of \$2,249,646 is expected to be spent by December 2019.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets totaled \$28,743,119 (net of accumulated depreciation). The net increase in the Town's investment in capital assets for the current fiscal year was \$4,679,544. This increase is largely due to the increase in construction in progress related to the Town's road projects began during the year and continued through the fall. The Town capital asset purchases are approved in the capital budget.

**Capital Assets
(Net of Accumulated Depreciation)**

	<u>2019</u>	<u>2018</u>
Land	\$ 934,383	\$ 934,383
Construction in progress	5,645,506	3,209,548
Land improvements	3,485,193	3,603,282
Buildings and improvements	2,723,281	3,241,594
Machinery and equipment	152,448	139,277
Infrastructure	13,431,634	10,541,936
Motor vehicles	2,370,674	2,393,555
	<hr/>	<hr/>
Total	<u>\$ 28,743,119</u>	<u>\$ 24,063,575</u>

Management's Discussion and Analysis (continued)

Major capital asset purchased during the current fiscal year included the following:

- Construction in progress activity for road reconstruction projects totaled \$2,915,792.
- New vehicles purchased totaling \$299,093. The vehicles included a new plow truck for \$217,799 and a new pickup truck for \$50,800.

Additional information on the Town's capital assets can be found in Note 5.

Long-term debt. At the end of the current fiscal year, the Town had total debt outstanding of \$7,790,000. All debt is backed by the full faith and credit of the Town.

	Long-term Debt	
	2019	2018
Bonds payable	\$ 7,790,000	\$ 8,255,000

The Town's long-term debt decreased during the year by \$465,000 due to scheduled debt service payments.

The Town maintains a AAA bond rating from Standard and Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$203,113,568, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 7.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is 2.8%, which is a decrease from a rate of 3.3% a year ago. The Town's rate is favorable as compared to the State rate of 3.7% and comparable to the Middlesex market rate of 3.3%.
- The Town continues to be under fiscal pressure to control tax increases. While the Town's budget has been managed to avoid tax increase in the past three years, there are still concerns regarding State funding. In addition, although the Town saw a decrease in its portion of the Regional School District education budget for 2020 due to the closing of an elementary school, the Town voted to purchase the building from the District. This will impact future budgets by \$150,000 over the next three years for the purchase price. In addition, the operating costs for the building are estimated at \$100,000 annually. The Town will be public hearings and other public meetings to discuss the use of the building. The Town also has identified improvements that are needed to its infrastructure (road and bridges) and the possible future development of water and sewer systems.


The Town and School District have begun meeting on a regular basis to work together to maintain an affordable tax rate/burden.

- State revenues estimates are continuing to be unreliable and therefore adding an additional obstacle to our efforts to maintain modest annual tax increases and address the needs of the Town.

These factors were considered in preparing the Town's budget for the 2020 fiscal year.

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 financial information should be addressed to the Chairman, Board of Finance, Town of Haddam, 30 Field Park Drive, Haddam, CT 06438.



Basic Financial Statements

TOWN OF HADDAM, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2019

Assets:	
Cash	\$ 4,682,141
Restricted cash	163,283
Investments	7,277,349
Receivables:	
Property taxes, net of allowance for uncollectibles of \$100,000	212,845
Interest on property taxes, net of allowance for uncollectibles of \$40,000	65,899
Intergovernmental	1,967,184
Other	100,141
Properties held for sale	701,576
Capital assets:	
Nondepreciable	6,579,889
Depreciable, net	22,163,230
Total assets	<u>43,913,537</u>
Deferred Outflows of Resources:	
Deferred outflows of resources related to pensions	<u>383,353</u>
Liabilities:	
Accounts and other payables	1,739,985
Performance bonds	163,283
Unearned revenue	21,448
Noncurrent liabilities:	
Due within one year	479,893
Due in more than one year	9,525,279
Total liabilities	<u>11,929,888</u>
Deferred Inflows of Resources:	
Deferred inflows of resources related to pensions	<u>71,224</u>
Net Position:	
Net investment in capital assets	20,673,201
Restricted for:	
Housing rehabilitation	74,219
General government	36,498
Town Clerk	16,882
Unrestricted	<u>11,494,978</u>
Total Net Position	<u>\$ 32,295,778</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF HADDAM, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 2,889,876	\$ 580,156	\$ 27,122	\$ 29,410	\$ (2,253,188)
Public safety	1,041,549	55,422	15,768		(970,359)
Public works	2,959,747	3,600	7,122	4,088,646	1,139,621
Health and welfare	370,763				(370,763)
Culture and recreation	879,188		7,684		(871,504)
Education	24,531,502		1,979,790		(22,551,712)
Interest expense	220,983				(220,983)
Total	\$ 32,893,608	\$ 639,178	\$ 2,037,486	\$ 4,118,056	(26,098,888)
General revenues:					
Property taxes, levied for general purposes					30,496,058
Grants and contributions not restricted to specific programs					48,605
Income from investments					85,530
Other					32,021
Total general revenues					<u>30,662,214</u>
Change in Net Position					4,563,326
Net Position at Beginning of Year					<u>27,732,452</u>
Net Position at End of Year					<u>\$ 32,295,778</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF HADDAM, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General Fund	Capital Nonrecurring Fund	Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 1,519,057	\$ 564,583	\$ 2,581,011	\$ 17,490	\$ 4,682,141
Restricted cash	163,283				163,283
Investments	6,109,659	930,323		237,367	7,277,349
Receivables:					
Property taxes	312,845				312,845
Intergovernmental	6,875	1,960,309			1,967,184
Other	14,601			85,540	100,141
Due from other funds	44,438	1,216,587		974,303	2,235,328
Total Assets	<u>\$ 8,170,758</u>	<u>\$ 4,671,802</u>	<u>\$ 2,581,011</u>	<u>\$ 1,314,700</u>	<u>\$ 16,738,271</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 334,668	\$ 967,887	\$ 221,700	\$ 2,943	\$ 1,527,198
Retainage payable			10,163		10,163
Other accrued liabilities	7,745	150,748			158,493
Performance bonds	163,283				163,283
Unearned revenue				21,448	21,448
Due to other funds	2,135,826		99,502		2,235,328
Total liabilities	<u>2,641,522</u>	<u>1,118,635</u>	<u>331,365</u>	<u>24,391</u>	<u>4,115,913</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	312,845				312,845
Fund balances:					
Restricted				127,599	127,599
Committed		3,553,167	2,249,646	217,026	6,019,839
Assigned				945,684	945,684
Unassigned	5,216,391				5,216,391
Total fund balances	<u>5,216,391</u>	<u>3,553,167</u>	<u>2,249,646</u>	<u>1,290,309</u>	<u>12,309,513</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,170,758</u>	<u>\$ 4,671,802</u>	<u>\$ 2,581,011</u>	<u>\$ 1,314,700</u>	<u>\$ 16,738,271</u>

(Continued on next page)

TOWN OF HADDAM, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

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

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

Total fund balances for governmental funds (Exhibit III)	\$ 12,309,513
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Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds:

Capital assets	\$ 71,941,387	
Less accumulated depreciation and amortization	<u>(43,198,268)</u>	
Total capital assets, net		28,743,119

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

Property tax receivables	312,845
Interest receivable on property taxes	105,899
Deferred outflows of resources related to pensions	383,353
Properties held for sale	701,576

Allowance for uncollectible taxes not reported in the governmental funds.	(140,000)
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Long-term liabilities applicable to the Town's governmental activities are
not due and payable in the current period and, accordingly, are not reported
in the funds:

Bonds payable	(7,790,000)
Unamortized bond premium	(279,918)
Compensated absences	(22,432)
Net pension liability	(1,689,974)
Deferred inflows of resources related to pensions	(71,224)
Interest payable on bonds	(44,131)
Landfill closure and post closure costs	<u>(222,848)</u>

Net Position (Exhibit I)	<u>\$ 32,295,778</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF HADDAM, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Capital Nonrecurring Fund	Road Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes, interest and lien fees	\$ 30,234,107	\$	\$	\$	\$ 30,234,107
Intergovernmental	2,025,657	4,077,198		40,334	6,143,189
Charges for services	598,885			11,861	610,746
Income from investments	123,237	3,617		1,176	128,030
Other	41,132			19,192	60,324
Total revenues	<u>33,023,018</u>	<u>4,080,815</u>	<u>-</u>	<u>72,563</u>	<u>37,176,396</u>
Expenditures:					
Current:					
General government	2,284,690			106,679	2,391,369
Public safety	742,240				742,240
Public works	2,028,373				2,028,373
Health and welfare	370,763				370,763
Culture and recreation	499,474				499,474
Education	24,531,502				24,531,502
Debt service	705,315				705,315
Capital outlay		4,670,143	1,735,976	150,424	6,556,543
Total expenditures	<u>31,162,357</u>	<u>4,670,143</u>	<u>1,735,976</u>	<u>257,103</u>	<u>37,825,579</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,860,661</u>	<u>(589,328)</u>	<u>(1,735,976)</u>	<u>(184,540)</u>	<u>(649,183)</u>
Other Financing Sources (Uses):					
Sale of Town property	19,321	42,500			61,821
Transfers in		1,550,073			1,550,073
Transfers out	(1,550,073)				(1,550,073)
Total other financing sources (uses)	<u>(1,530,752)</u>	<u>1,592,573</u>	<u>-</u>	<u>-</u>	<u>61,821</u>
Net Change in Fund Balances	329,909	1,003,245	(1,735,976)	(184,540)	(587,362)
Fund Balances at Beginning of Year	<u>4,886,482</u>	<u>2,549,922</u>	<u>3,985,622</u>	<u>1,474,849</u>	<u>12,896,875</u>
Fund Balances at End of Year	<u>\$ 5,216,391</u>	<u>\$ 3,553,167</u>	<u>\$ 2,249,646</u>	<u>\$ 1,290,309</u>	<u>\$ 12,309,513</u>

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TOWN OF HADDAM, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

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 for governmental funds (Exhibit IV)	\$ (587,362)
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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 and amortization expense. The amount by which depreciation exceeded capital outlays in the current period is as follows:

Capital outlay	\$ 5,951,344	
Depreciation expense	<u>(849,231)</u>	
Net adjustment		5,102,113

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposal of capital assets. This amount represents the disposal of capital assets.

(422,569)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available:

Change in compensated absences	24,970
Change in landfill closure and post-closure costs	9,286
Change in net pension liability	(132,764)
Change in deferred inflows of resources related to pensions	75,021
Change in deferred inflows of resources related to property tax	(818,786)

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

Change in interest receivable	(1,204,881)
Change in allowance for doubtful accounts on property tax receivables and interest receivable on property taxes	1,560,000
Change in deferred outflows of resources related to pensions	(227,610)
Change in properties held for sale	701,576

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Amortization of bond premiums	16,335
Accrued interest	2,997
Principal repayments on bonds	<u>465,000</u>

Change in Net Position	\$ <u><u>4,563,326</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF HADDAM, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	Pension Trust Funds
Assets:	
Investments:	
Mutual funds:	
International stocks	\$ 1,108,970
Small-cap stocks	241,120
Mid-cap stocks	518,295
Large cap stocks	1,974,469
Bonds	2,068,504
Real estate	204,606
Guaranteed investment contracts	<u>110,042</u>
Total assets	<u>6,226,006</u>
Net Position:	
Net Position Restricted for Pensions	\$ <u><u>6,226,006</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF HADDAM, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Pension Trust Funds</u>
Additions:	
Employer contributions	\$ <u>311,599</u>
Investment gains:	
Interest and dividends	4,970
Changes in fair value of investments	<u>382,904</u>
Total investment gains	<u>387,874</u>
Total additions	<u>699,473</u>
Deductions:	
Benefit payments	597,376
Administrative expenses	<u>38,236</u>
Total deductions	<u>635,612</u>
Change in Net Position	63,861
Net Position at Beginning of Year	<u>6,162,145</u>
Net Position at End of Year	\$ <u><u>6,226,006</u></u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town of Haddam, Connecticut, was incorporated in 1668. The Town operates under the Board of Selectmen, Town Meeting and Board of Finance form of government and provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning and zoning, and general administrative services to its residents. The Town is a member of Regional School District No. 17 (the District) along with the Town of Killingworth. The District provides education for grades K-12.

The basic financial statements of the Town include only the funds of the Town, as no component units exist based on operational or financial relationships with the Town.

B. 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

C. 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 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. Agency funds use the accrual basis of accounting but have no measurement focus since they report only assets and liabilities.

**TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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. Only property taxes collected during the year are recorded as revenues. The Town considers reimbursement grant revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to landfill closure and postclosure and claims and judgments, are recorded only when payment is due.

Grants and contracts, and interest associated with the current period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the Town.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town reports the following major governmental funds:

General Fund

This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Nonrecurring Fund

This fund is to account for the projects approved as part of the Town's five-year capital plan.

Road Fund

This fund is to account for the construction and maintenance of Town roads.

In addition, the Town reports the following fiduciary fund types:

Pension Trust Funds

These funds are used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plans. The Town utilizes these funds to account for activities of the following plans: The Town of Haddam Retirement Plan and the Town of Haddam Volunteer Firefighters' Merit Service Retirement Plan.

**TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

D. Deposits and Investments

The Town's cash is considered to be cash on hand and demand deposits. State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments.

Investments are reported at fair value.

E. 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."

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.

F. Properties Held for Sale

The represents the value of foreclosed property held for sale by the Town. The value is based on the taxes receivable of the property less any sales.

G. Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for equipment, \$20,000 for building improvements and \$20,000 for infrastructure, and an estimated useful life of at least five years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	50
Buildings and improvements	40 - 75
Machinery and equipment	5 - 25
Motor vehicles	5 - 15
Infrastructure	30 - 50

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 deferred outflows of resources related to pensions for changes in assumptions, net difference between projected and actual earnings of the pension plan investments and differences in expected and actual pension experience. The deferred outflow related to the change in assumptions and deferred outflows related to differences in expected and actual pension experience will be amortized over the average remaining service life of all plan members. The deferred outflow for the net difference between projected and actual earnings of the pension plan investments will be amortized over a five-year period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources for deferred inflows of resources related to pensions. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension 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 plan (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. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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. 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 Net Position

Net position is restricted because a restriction is 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 Net Position

This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Haddam Board of Finance).

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by the Board of Finance.

Unassigned Fund Balance

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.

**TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

When both restricted and unrestricted resources are available for use, it is the Town'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 Boards shall propose budgets that provide for an unassigned general fund balance minimum of 10% of the total operating general fund expenditures.

L. 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.

Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest and lien fees of \$100,000 and \$40,000, respectively, as of June 30, 2019.

Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

Property tax revenues are recognized when they become available. Available means due or past due and received in the current period. Property taxes receivable outstanding as of the end of the fiscal year are reflected in unavailable revenue 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 year's assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

M. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The General Fund is the only fund for which an annual budget is legally adopted. The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- At the annual Town Meeting in May, at which taxpayer comments are obtained, the proposed operating budget for the fiscal year commencing July 1 is presented. The operating budget, which is prepared by fund, function and department, includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally enacted at a Town Meeting.

**TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

- The Board of Selectmen is authorized to transfer budgeted amounts within departments. Transfers of budgeted amounts between departments must be approved by the Board of Finance. The Board of Finance can approve additional appropriations for a department provided such additional appropriations do not exceed \$20,000, or is a second request. Appropriations in excess of \$20,000 must be submitted to a Town Meeting for approval. Management of the Town is not authorized to transfer budgeted amounts or to approve additional appropriations. Additional appropriations and an increase in estimated revenues of \$845,673 were approved for the year.
- The Regional School District is responsible for the administration of the Board of Education budget.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting.
- The legal level of control, the level at which expenditures may not legally exceed appropriations, is at the department level.

3. CASH

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 Statute 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.”

A. Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$10,685,469 of the Town’s bank balance of \$11,551,455 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,566,922
Uninsured and collateralized with securities held by the pledging bank’s trust department or agent but not in the Town’s name	<u>1,118,547</u>
	<u>\$ 10,685,469</u>

Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

4. INVESTMENTS

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 Town's investments consisted of the following:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Certificate of Deposit	*	\$ 778,672	\$ <u>286,672</u>	\$ <u>492,000</u>	\$ <u>-</u>
Money Market	*	6,498,677			
Other investments:					
Mutual Funds	N/A	6,115,964			
Guaranteed Investment Contracts	N/A	<u>110,042</u>			
Total Investments		\$ <u>13,503,355</u>			

N/A - Not Applicable

* Subject to coverage by Federal Depository Insurance and Collateralization.

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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:

	<u>Amount</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Equity securities:				
Mutual Funds	\$ 6,115,964	\$ <u>6,115,964</u>	\$ <u>-</u>	\$ <u>-</u>
Investments not recorded at fair value:				
Certificate of Deposit	778,672			
Money Market	6,498,677			
Guaranteed Investment Contracts	<u>110,042</u>			
Total Investments	\$ <u>13,503,355</u>			

Mutual Funds

Mutual funds are valued using Level 1 inputs, which consist of the quoted price of shares held at year end.

Interest Rate Risk

The Town does not have a formal investment policy that limits Town or Pension Trust Fund investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut State Statutes. Connecticut State Statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments are not exposed to custodial credit risk. The Town does not have a policy for custodial credit risk.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. More than 5% of the Pension Trust Fund investments are in mutual funds, but are not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

5. CAPITAL ASSETS

Capital asset activity for the fiscal year consisted of the following:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 934,383	\$	\$	\$ 934,383
Construction in progress	3,209,548	5,613,998	3,178,040	5,645,506
Total capital assets, not being depreciated	4,143,931	5,613,998	3,178,040	6,579,889
Capital assets, being depreciated:				
Buildings and improvements	6,047,864	262,248	1,138,669	5,171,443
Land improvements	4,249,826		45,503	4,204,323
Machinery and equipment	750,378	38,253	31,219	757,412
Vehicles	6,937,196	299,093	42,024	7,194,265
Infrastructure	48,325,132	2,915,792	3,206,869	48,034,055
Total capital assets, being depreciated	66,310,396	3,515,386	4,464,284	65,361,498
Total capital assets	70,454,327	9,129,384	7,642,324	71,941,387
Less accumulated depreciation for:				
Buildings and improvements	2,806,270	111,364	469,472	2,448,162
Land improvements	646,544	84,027	11,441	719,130
Machinery and equipment	611,101	25,082	31,219	604,964
Vehicles	4,543,641	317,274	37,324	4,823,591
Infrastructure	37,783,196	311,484	3,492,259	34,602,421
Total accumulated depreciation	46,390,752	849,231	4,041,715	43,198,268
Total capital assets, being depreciated, net	19,919,644	2,666,155	422,569	22,163,230
Capital Assets, Net	\$ 24,063,575	\$ 8,280,153	\$ 3,600,609	\$ 28,743,119

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Depreciation expense was charged to functions of the Town as follows:

General government	\$ 19,856
Public safety	285,596
Public works	521,748
Culture and recreation	<u>22,031</u>
Total Depreciation Expense	<u>\$ 849,231</u>

Construction Commitments

The Town has active construction projects for various public works projects and road improvements as follows:

<u>Project</u>	<u>Authorized Amount</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Road Improvement	\$ 6,480,000	\$ 4,486,497	\$ 1,993,503

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Road Fund	\$ 44,438
Capital Nonrecurring Fund	General Fund	1,161,523
Capital Nonrecurring Fund	Road Fund	55,064
Nonmajor Governmental Funds	General Fund	<u>974,303</u>
Total		<u>\$ 2,235,328</u>

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

Interfund transfers during the year consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental funds:		
Capital Nonrecurring Fund	General Fund	\$ 1,550,073

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

7. LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bond payable:					
Bonds payable	\$ 8,255,000	\$	\$ 465,000	\$ 7,790,000	\$ 465,000
Bond premium	296,253		16,335	279,918	
Total bonds payable	8,551,253	-	481,335	8,069,918	465,000
Net pension liability	1,557,210	132,764		1,689,974	
Landfill post-closure costs	232,134		9,286	222,848	9,285
Compensated absences	47,402		24,970	22,432	5,608
Long-Term Liabilities	<u>\$ 10,387,999</u>	<u>\$ 132,764</u>	<u>\$ 515,591</u>	<u>\$ 10,005,172</u>	<u>\$ 479,893</u>

Governmental fund bonds bear interest at rates ranging from 1.45% to 4.00% and mature in fiscal years ending 2020 through 2037. These obligations are direct obligations and pledge the full faith and credit of the government and will be paid from General Fund revenues.

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

General obligation bonds as discussed above that are currently outstanding are as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Outstanding June 30, 2019</u>
Bonds payable:					
General Bonds	8/30/2012	\$ 2,800,000	2.00-3.00%	8/15/2032	\$ 1,960,000
General Bonds	5/25/2017	6,480,000	1.45-4.00%	5/15/2037	5,830,000
					<u>\$ 7,790,000</u>

**TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Year Ending June 30,	Principal	Interest	Total
2020	\$ 465,000	\$ 255,815	\$ 720,815
2021	465,000	240,240	705,240
2022	465,000	224,665	689,665
2023	465,000	209,090	674,090
2024	465,000	193,515	658,515
2025-2029	2,325,000	750,383	3,075,383
2030-2034	2,180,000	381,990	2,561,990
2035-2038	960,000	67,200	1,027,200
	<u>\$ 7,790,000</u>	<u>\$ 2,322,898</u>	<u>\$ 10,112,898</u>

B. Debt Limitations

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$203,113,568 at year end. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at year end.

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 65,286,504	\$ 7,790,000	\$ 57,496,504
Schools	130,573,008	2,743,903	127,829,105
Sewers	108,810,840		108,810,840
Urban renewal	94,302,728		94,302,728
Pension deficit	87,048,672		87,048,672

C. Regional School District Commitments

The Town is a member of Regional School District No. 17, which provides education facilities for grades kindergarten through twelve for the towns of Haddam and Killingworth. As of June 30, 2019, the outstanding bonded indebtedness of the District was \$4,655,000. The Town's share will be 58.95% of the outstanding indebtedness, or \$2,743,903. These are general obligations of Regional School District No. 17 and its member towns. However, the Town is not required to record its share in its financial statements.

D. Landfill Post-Closure Care Costs

State and federal laws and regulations require landfill closures to meet certain standards. The Town has completed the final capping of the landfill in June 2013. Estimated monitoring costs for the next 24 years at \$9,285 per year are \$222,848. These amounts are based on estimates that are subject to change due to inflation, technology or applicable laws and regulations.

**TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

8. FUND BALANCES

The components of fund balance for the governmental funds are as follows:

	General Fund	Capital Nonrecurring Fund	Road Fund	Nonmajor Governmental Funds	Total
Fund balances:					
Restricted:					
Housing rehabilitation	\$	\$	\$	\$ 74,219	\$ 74,219
General government				36,498	36,498
Town Clerk				16,882	16,882
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,599</u>	<u>127,599</u>
Committed:					
General government				133,158	133,158
Public works				15,577	15,577
Capital projects		3,553,167	2,249,646	28,619	5,831,432
Open space				39,672	39,672
Total committed	<u>-</u>	<u>3,553,167</u>	<u>2,249,646</u>	<u>217,026</u>	<u>6,019,839</u>
Assigned to:					
Debt service				945,684	945,684
Unassigned	<u>5,216,391</u>				<u>5,216,391</u>
Total Fund Balances	<u>\$ 5,216,391</u>	<u>\$ 3,553,167</u>	<u>\$ 2,249,646</u>	<u>\$ 1,290,309</u>	<u>\$ 12,309,513</u>

9. TAX ABATEMENT

The Town provides a tax abatement under the High Meadow tax abatement program. The High Meadow tax abatement agreement was created to provide a real property tax abatement to facilitate the provision of low income elderly housing within the Town pursuant to Connecticut General Statutes Section 8-215. Under the terms of the agreement moneys equivalent to taxes abated are to be utilized for either or both the following purpose:

- The reduction of rents below levels, which would be achieved in the absence of such an abatement program.
- To provide necessary related facilities or services in such housing.

In performing the above, the property owner receives an abatement of 100% of the real property taxes. Continuation of the agreement is conditioned upon continued compliance with the provisions of the agreement and is terminated upon sale or transfer of the property for any other purpose unless the Town has consented thereto. During the fiscal year, taxes abated through this program total \$30,867. No other commitments have been made by the Town to the abatement recipient under this program.

10. PENSION PLANS

A. Plan Administration

Plan Descriptions

The Town maintains two single-employer defined benefit pension plans: The Town of Haddam Retirement Plan (the Town Employees' Pension Plan) and the Town of Haddam Volunteer Firefighters' Merit Service Retirement Plan (the Volunteer Firefighters' Pension Plan) (collectively the Plans). Benefit provisions of the Plans are established and can be amended by the Board of Selectmen. The Plans do not issue stand-alone financial statements and are part of the Town's financial reporting entity. As such, the Plans are accounted for in the fiduciary fund financial statements as Pension Trust Funds.

Benefit Provisions

Town Employees' Pension Plan

Each employee of the Town who is scheduled to work at least 30 hours per week for 12 months of the year is eligible to participate in the plan. The plan provides retirement benefits as well as death and disability benefits. Participants are 100% vested after seven years. Annual retirement benefits for plan participants are 2% of an employees' final average compensation multiplied by the number of years of credited service, up to a maximum of 30 years.

Volunteer Firefighters' Pension Plan

Each volunteer firefighter whose name is on the roster of the Haddam Volunteer Fire Company and the Haddam Neck Volunteer Fire Department as of the effective date of the plan is eligible to participate in the Volunteer Firefighters' Pension Plan, following one year of credited service. This plan does not provide disability benefits. Under the provisions of the plan, the Town must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements. Benefits and contributions are established by the Town. The State of Connecticut Statutes assign the authority to establish and amend the benefit provisions of the plan to the Town.

Plan Membership

Membership of the plans consisted of the following at the date of the latest actuarial valuations:

	Town Plan	Firefighters' Plan
Retirees and beneficiaries currently receiving benefits	22	24
Vested terminated plan members	9	49
Active plan members	17	63
	48	136

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Contributions

Contribution requirements of the plan members and the Town are established, and may be amended, by the Board of Selectmen. The Town is required to annually contribute an actuarially determined amount to fund benefits.

Employer contributions to the Town Employees' Pension Plan represented 20.93% of covered payroll. Employer contributions for the Firefighters' Plan were an actuarial determined amount of \$107,708.

Investments

Investment Policy

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

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 (see the discussion of the pension plan's investment policy) for both plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	42%	6.25%
International equity	18%	3.75%
Fixed income	33%	2.75%
Real estate and alternatives	3%	7.00%
General account	4%	2.25%
Total	100%	

Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Town Employees' Pension Plan and the Volunteer Firefighters' Pension Plan was 6.48% and 6.46%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations

There were no investments in any one organization that represent 5% or more of the pension plan net position.

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Net Pension Liability of the Town

The Town's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 for the Volunteer Firefighters' Merit Service Retirement Plan and January 1, 2019 for the Employees' Pension Plan.

The components of the net pension liability of the Town were as follows:

	<u>Town Plan</u>	<u>Firefighters' Plan</u>	<u>Total</u>
Total pension liability	\$ 5,547,766	\$ 2,368,214	\$ 7,915,980
Plan fiduciary net position	<u>4,465,755</u>	<u>1,760,251</u>	<u>6,226,006</u>
 Net Pension Liability	 <u>\$ 1,082,011</u>	 <u>\$ 607,963</u>	 <u>\$ 1,689,974</u>
 Plan fiduciary net position as a percentage of the total pension liability	 <u>80.50%</u>	 <u>74.33%</u>	

Actuarial Assumptions

The total Town pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.00%
Investment rate of return	6.50%

The total firefighters' pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	N/A
Investment rate of return	6.50%

Mortality rates for the Town pension plan were based on the RP-2014 mortality table adjusted to 2006 separately for males and females projected with mortality improvement scale MP-2018 with zero mortality pre-commencement. Mortality rates for the volunteer fire plan were based on the RP-2014 adjusted to 2006 blue collar mortality table separately for males and females projected with mortality improvement scale MP-2018.

The actuarial assumptions used in the July 1, 2017 valuation for the firefighters' plan and in the January 1, 2019 valuation for the employees' plan are based on the mortality tables used for the Connecticut state employees' retirement system.

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

Town Employees' Pension Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2018	\$ 5,437,836	\$ 4,482,209	\$ 955,627
Changes for the year:			
Service cost	165,348		165,348
Interest on total pension liability	349,710		349,710
Differences between expected and actual experience	113,222		113,222
Changes in assumptions	(11,248)		(11,248)
Employer contributions		234,590	(234,590)
Net investment income		280,946	(280,946)
Benefit payments, including refund to employee contributions	(507,102)	(507,102)	-
Administrative expenses		(24,888)	24,888
Net changes	109,930	(16,454)	126,384
Balances as of June 30, 2019	\$ 5,547,766	\$ 4,465,755	\$ 1,082,011

Volunteer Firefighters' Merit Service Retirement Plan			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2018	\$ 2,281,519	\$ 1,679,936	\$ 601,583
Changes for the year:			
Service cost	32,628		32,628
Interest on total pension liability	143,095		143,095
Differences between expected and actual experience	5,922		5,922
Changes in assumptions	(4,676)		(4,676)
Employer contributions		77,009	(77,009)
Net investment income		106,928	(106,928)
Benefit payments, including refund to employee contributions	(90,274)	(90,274)	-
Administrative expenses		(13,348)	13,348
Net changes	86,695	80,315	6,380
Balances as of June 30, 2019	\$ 2,368,214	\$ 1,760,251	\$ 607,963

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Town Employees' Plan	\$	1,630,526	\$ 1,082,011	\$ 612,674
Firefighters' Plan		929,392	607,963	342,557

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

During the year, the Town recognized pension expense of \$592,346. The Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Town Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,682	\$
Changes of assumptions	14,967	8,506
Net difference between projected and actual earning on pension plan investments	<u>37,740</u>	<u></u>
Total	<u>\$ 146,389</u>	<u>\$ 8,506</u>

	Firefighters' Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 167,473	\$ 15,350
Changes of assumptions	52,861	47,368
Net difference between projected and actual earning on pension plan investments	<u>16,630</u>	<u></u>
Total	<u>\$ 236,964</u>	<u>\$ 62,718</u>

TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 261,155	\$ 15,350
Changes of assumptions	67,828	55,874
Net difference between projected and actual earning on pension plan investments	54,370	
Total	<u>\$ 383,353</u>	<u>\$ 71,224</u>

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

<u>Year Ending June 30,</u>	<u>Town Plan</u>	<u>Firefighters' Plan</u>	<u>Total</u>
2020	\$ 87,019	\$ 56,524	\$ 143,543
2021	7,068	35,034	42,102
2022	41,280	48,411	89,691
2023	2,516	25,385	27,901
2024		8,892	8,892
Total	<u>\$ 137,883</u>	<u>\$ 174,246</u>	<u>\$ 312,129</u>

Combining Statement of Net Position

	Pension Trust Funds	
	Town Employees' Pension Plan	Volunteer Firefighters' Pension Plan
	Total	
Assets:		
Investments, at Fair Value	<u>\$ 4,465,755</u>	<u>\$ 1,760,251</u>
		<u>\$ 6,226,006</u>
Net Position:		
Net Position Restricted for Pension Benefits	<u>\$ 4,465,755</u>	<u>\$ 1,760,251</u>
		<u>\$ 6,226,006</u>

**TOWN OF HADDAM, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Combining Statement of Changes in Plan Net Position

	Pension Trust Funds		
	Town Employees' Pension Plan	Volunteer Firefighters' Pension Plan	Total
Additions:			
Employer contributions	\$ 234,590	\$ 77,009	\$ 311,599
Investment gains:			
Interest, dividends and changes in fair value	280,946	106,928	387,874
Total additions	515,536	183,937	699,473
Deductions:			
Benefit payments	507,102	90,274	597,376
Administrative expense	24,888	13,348	38,236
Total deductions	531,990	103,622	635,612
Change in Net Position	(16,454)	80,315	63,861
Net Position at Beginning of Year	4,482,209	1,679,936	6,162,145
Net Position at End of Year	<u>\$ 4,465,755</u>	<u>\$ 1,760,251</u>	<u>\$ 6,226,006</u>

11. DEFINED CONTRIBUTION PLAN

The Town established a defined contribution plan effective July 20, 2018 to provide benefits at retirement to employees of the Town. The Board of Selectmen and First Selectman administers this single employer defined contribution benefit plan. All full-time employees of the Town are eligible to participate in the defined contribution plan and there are no required employee contribution amounts. The Town will contribute 3% for all employees participating in the plan. Employees are fully vested in all employee contributions and are fully vested after 1000 hours worked in a year for employer contributions.

The value of the plan at year end was \$13,001. There are 4 participants. During the fiscal year employees contributed \$6,577 and the Town contributed employer contributions of \$3,596. Covered payroll totaled \$163,366. Plan provisions and contribution requirements are established by an ordinance approved by the Town's Board of Selectman and may be amended by the Board subject to various bargaining unit approvals.

12. COMMITMENTS AND CONTINGENCIES

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

The Town has received federal and state 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 expenditures disallowed under terms of the grant. Based upon prior experience, Town management believes such disallowance, if any, will not be material.

13. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. Neither the Town nor its insurers have settled any claims that exceeded the Town's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town is also a member in Regional School District No. 17's medical health insurance fund, a public entity risk pool established for the purpose of administering medical benefits for each participating entity in the fund. The Town pays an annual contribution for its coverage. The fund is to be self-sustaining through members' premiums, but reinsures in excess of \$75,000 for each insured occurrence. The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining; it is not possible to estimate the amount of such additional assessments.

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies.

14. SUBSEQUENT EVENT

In September 2019, the Town purchased the Haddam Elementary School Property for \$450,000, which is to be paid in three equal annual principal payments in the amount of \$150,000 beginning in fiscal year 2021.



Required Supplementary Information

TOWN OF HADDAM, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Actual	Variance With Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
Revenues:					
Taxes, interest and lien fees	\$ 29,694,296	\$ 425,000	\$ 30,119,296	\$ 30,234,107	\$ 114,811
Intergovernmental	1,784,027	205,673	1,989,700	2,025,657	35,957
Charges for services	444,500	130,000	574,500	598,885	24,385
Income from investments	36,000	85,000	121,000	123,237	2,237
Miscellaneous	10,000		10,000	41,132	31,132
Total revenues	<u>31,968,823</u>	<u>845,673</u>	<u>32,814,496</u>	<u>33,023,018</u>	<u>208,522</u>
Expenditures:					
Current:					
General government	2,547,059	(210,827)	2,336,232	2,284,690	51,542
Public safety	799,843	(34,500)	765,343	742,240	23,103
Public works	2,051,255	(9,500)	2,041,755	2,028,373	13,382
Health and welfare	393,045	(11,500)	381,545	370,763	10,782
Culture and recreation	512,731	(10,000)	502,731	499,474	3,257
Education	24,531,502		24,531,502	24,531,502	-
Debt service	705,315		705,315	705,315	-
Total expenditures	<u>31,540,750</u>	<u>(276,327)</u>	<u>31,264,423</u>	<u>31,162,357</u>	<u>102,066</u>
Excess of revenues over expenditures	<u>428,073</u>	<u>1,122,000</u>	<u>1,550,073</u>	<u>1,860,661</u>	<u>310,588</u>
Other financing sources and uses:					
Sale of town property				19,321	19,321
Transfers out	<u>(428,073)</u>	<u>(1,122,000)</u>	<u>(1,550,073)</u>	<u>(1,550,073)</u>	-
Total other financing uses	<u>(428,073)</u>	<u>(1,122,000)</u>	<u>(1,550,073)</u>	<u>(1,530,752)</u>	<u>19,321</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	329,909	\$ <u>329,909</u>
Fund Balance at Beginning of Year				<u>4,886,482</u>	
Fund Balance at End of Year				<u>\$ 5,216,391</u>	

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Actual	Variance With Final Budget
	Original	Additional Appropriations and Transfers	Final		
Taxes, Interest and Lien Fees:					
General property taxes	\$ 29,211,812	\$ 325,000	\$ 29,536,812	\$ 29,513,031	\$ (23,781)
Motor vehicle supplemental tax	250,000	100,000	350,000	351,480	1,480
General property tax - prior year	250,000		250,000	214,984	(35,016)
Elderly tax abatement	(161,000)		(161,000)		161,000
Interest and lien fees	120,000		120,000	136,154	16,154
Telecommunications property tax grant	20,484		20,484	14,890	(5,594)
South Central Water Authority	3,000		3,000	3,568	568
Total taxes, interest and lien fees	<u>29,694,296</u>	<u>425,000</u>	<u>30,119,296</u>	<u>30,234,107</u>	<u>114,811</u>
Intergovernmental:					
Education cost-sharing	1,774,027	205,673	1,979,700	1,979,790	90
DUI Grants	10,000		10,000	17,076	7,076
Miscellaneous grants				28,791	28,791
Total intergovernmental	<u>1,784,027</u>	<u>205,673</u>	<u>1,989,700</u>	<u>2,025,657</u>	<u>35,957</u>
Charges for Services:					
Town clerk recording fees	38,000		38,000	29,270	(8,730)
Town clerk fees	5,000		5,000	2,971	(2,029)
Real estate conveyance tax	90,000		90,000	87,437	(2,563)
Transfer station permits	110,000	30,000	140,000	142,872	2,872
Dog license	5,000		5,000	4,069	(931)
Building and land use	125,000	100,000	225,000	231,865	6,865
Photocopy fees	10,000		10,000	7,910	(2,090)
Rental of public buildings	2,500		2,500	3,600	1,100
Recycling fees	17,000		17,000	1,306	(15,694)
Troopers OT reimbursement	30,000		30,000	51,353	21,353
Cell tower rent	2,000		2,000	2,000	-
Other fees	10,000		10,000	34,232	24,232
Total charges for services	<u>444,500</u>	<u>130,000</u>	<u>574,500</u>	<u>598,885</u>	<u>24,385</u>
Income from investments	<u>36,000</u>	<u>85,000</u>	<u>121,000</u>	<u>123,237</u>	<u>2,237</u>
Miscellaneous	<u>10,000</u>		<u>10,000</u>	<u>41,132</u>	<u>31,132</u>
Total Revenues	<u>31,968,823</u>	<u>845,673</u>	<u>32,814,496</u>	<u>33,023,018</u>	<u>208,522</u>
Other Financing Sources:					
Sale of town property	-	-	-	19,321	19,321
Total Revenues	<u>\$ 31,968,823</u>	<u>\$ 845,673</u>	<u>\$ 32,814,496</u>	<u>\$ 33,042,339</u>	<u>\$ 227,843</u>

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Actual	Variance With Final Budget
	Original Budget	Additional Appropriations and Transfers	Final		
General Government:					
Selectman's office	\$ 183,045	\$ (10,000)	\$ 173,045	\$ 168,000	\$ 5,045
Finance department	130,459		130,459	124,176	6,283
Probate court	2,661		2,661	2,661	-
Elections	49,520	10,554	60,074	60,074	-
Board of finance	42,922		42,922	39,960	2,962
Assessor	137,664		137,664	122,700	14,964
Board of assessment appeals	335		335		335
Tax collector's office	80,631		80,631	79,131	1,500
Treasurer's office	15,181		15,181	15,033	148
Town counsel	60,000	(25,000)	35,000	34,430	570
Town clerk	111,811		111,811	111,406	405
Planning and zoning	200		200	91	109
Zoning board of appeals	110		110	110	-
Wetlands	100		100	75	25
Central services	130,675	(21,000)	109,675	108,853	822
Insurance and other benefits	1,204,677	(55,000)	1,149,677	1,148,404	1,273
Economic development	11,500	275	11,775	11,775	-
Land use offices	277,568	(21,000)	256,568	255,811	757
Conservation	2,000		2,000	2,000	-
Contingency	106,000	(89,656)	16,344		16,344
Total general government	<u>2,547,059</u>	<u>(210,827)</u>	<u>2,336,232</u>	<u>2,284,690</u>	<u>51,542</u>
Public Safety:					
Fire protection	233,135	(34,500)	198,635	189,620	9,015
Police	399,411		399,411	397,103	2,308
Animal control	23,211		23,211	17,799	5,412
Emergency management	7,029		7,029	1,800	5,229
Fire marshal	20,151		20,151	19,012	1,139
Dispatch services	116,906		116,906	116,906	-
Total public safety	<u>799,843</u>	<u>(34,500)</u>	<u>765,343</u>	<u>742,240</u>	<u>23,103</u>
Public Works:					
Public works	1,121,466	12,507	1,133,973	1,127,687	6,286
Snow and ice removal	320,000	(62,129)	257,871	256,947	924
Public buildings	260,039	34,193	294,232	291,596	2,636
Engineering	40,000	(9,500)	30,500	30,326	174
Fire hydrants	3,000		3,000		3,000
Waste disposal	306,750	15,429	322,179	321,817	362
Total public works	<u>2,051,255</u>	<u>(9,500)</u>	<u>2,041,755</u>	<u>2,028,373</u>	<u>13,382</u>

(Continued on next page)

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Actual	Variance With Final Budget
	Original Budget	Additional Appropriations and Transfers	Final		
Health and Welfare:					
Social services	\$ 20,983	\$	\$ 20,983	\$ 18,817	\$ 2,166
Senior services	54,811	(11,500)	43,311	42,550	761
Senior transportation	38,405		38,405	33,757	4,648
Health district	90,000		90,000	89,621	379
Youth and family	87,500		87,500	87,500	-
Water pollution and control	8,000		8,000	5,172	2,828
Ambulance and paramedic services	93,346		93,346	93,346	-
Total health and welfare	<u>393,045</u>	<u>(11,500)</u>	<u>381,545</u>	<u>370,763</u>	<u>10,782</u>
Culture and Recreation:					
Haddam park and recreation					
Commission	49,500	(10,000)	39,500	39,412	88
Regional recreational authority	100,000		100,000	100,000	-
Culture and recreation	358,231		358,231	355,062	3,169
Community organizations	5,000		5,000	5,000	-
Total culture and recreation	<u>512,731</u>	<u>(10,000)</u>	<u>502,731</u>	<u>499,474</u>	<u>3,257</u>
Education	<u>24,531,502</u>		<u>24,531,502</u>	<u>24,531,502</u>	<u>-</u>
Debt Service	<u>705,315</u>		<u>705,315</u>	<u>705,315</u>	<u>-</u>
Total Expenditures	<u>31,540,750</u>	<u>(276,327)</u>	<u>31,264,423</u>	<u>31,162,357</u>	<u>102,066</u>
Other Financing Uses:					
Transfer out	<u>428,073</u>	<u>1,122,000</u>	<u>1,550,073</u>	<u>1,550,073</u>	<u>-</u>
Total Expenditures and Other Financing	<u>\$ 31,968,823</u>	<u>\$ 845,673</u>	<u>\$ 32,814,496</u>	<u>\$ 32,712,430</u>	<u>\$ 102,066</u>

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TOWN EMPLOYEES' PENSION PLAN
LAST SIX YEARS*

	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 165,348	\$ 122,689	\$ 132,292	\$ 167,624	\$ 168,836	\$ 168,836
Income from investments	349,710	338,780	323,985	318,674	315,305	285,670
Differences between expected and actual experience	113,222	20,588	(233,719)	44,324	(118,691)	111,968
Changes of assumptions	(11,248)	44,903	383,635	(46,251)	194,605	
Benefit payments, including refunds of member contributions	(507,102)	(356,873)	(645,672)	(159,641)	(163,836)	(125,095)
Net change in total pension liability	109,930	170,087	(39,479)	324,730	396,219	441,379
Total pension liability - beginning	5,437,836	5,267,749	5,307,228	4,982,498	4,586,279	4,144,900
Total pension liability - ending	5,547,766	5,437,836	5,267,749	5,307,228	4,982,498	4,586,279
Plan fiduciary net position:						
Contributions - employer	234,590	255,963	273,000	256,564	240,000	227,608
Net investment income (loss)	280,946	206,196	447,615	(24,561)	57,117	523,998
Benefit payments, including refunds of member contributions	(507,102)	(356,873)	(645,672)	(159,641)	(163,836)	(125,095)
Administrative expense	(24,888)					
Other						11,243
Net change in plan fiduciary net position	(16,454)	105,286	74,943	72,362	133,281	637,754
Plan fiduciary net position - beginning	4,482,209	4,376,923	4,301,980	4,229,618	4,096,337	3,458,583
Plan fiduciary net position - ending	4,465,755	4,482,209	4,376,923	4,301,980	4,229,618	4,096,337
Net Pension Liability - Ending	\$ 1,082,011	\$ 955,627	\$ 890,826	\$ 1,005,248	\$ 752,880	\$ 489,942
Plan fiduciary net position as a percentage of the total pension liability	80.50%	82.43%	83.09%	81.06%	84.89%	89.32%
Covered payroll	\$ 967,343	\$ 1,121,054	\$ 776,316	\$ 845,364	\$ 989,549	\$ 1,096,743
Net pension liability as a percentage of covered payroll	111.85%	85.24%	114.75%	118.91%	76.08%	44.67%

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

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST SIX YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 32,628	\$ 32,997	\$ 40,115	\$ 39,598	\$ 35,108	\$ 34,543
Income from investments	143,095	139,401	123,339	122,360	119,279	111,006
Differences between expected and actual experience	5,922	180,934	22,095	(40,547)	75,106	(17,856)
Changes of assumptions	(4,676)	(66,314)	65,356		51,745	89,800
Benefit payments, including refunds of member contributions	<u>(90,274)</u>	<u>(99,143)</u>	<u>(109,566)</u>	<u>(103,147)</u>	<u>(102,370)</u>	<u>(96,232)</u>
Net change in total pension liability	86,695	187,875	141,339	18,264	178,868	121,261
Total pension liability - beginning	<u>2,281,519</u>	<u>2,093,644</u>	<u>1,952,305</u>	<u>1,934,041</u>	<u>1,755,173</u>	<u>1,633,912</u>
Total pension liability - ending	<u>2,368,214</u>	<u>2,281,519</u>	<u>2,093,644</u>	<u>1,952,305</u>	<u>1,934,041</u>	<u>1,755,173</u>
Plan fiduciary net position:						
Contributions - employer	77,009	107,708	96,615	60,922	83,000	82,646
Net investment income (loss)	106,928	71,440	160,819	(10,975)	20,591	196,428
Benefit payments, including refunds of member contributions	<u>(90,274)</u>	<u>(99,143)</u>	<u>(109,566)</u>	<u>(103,147)</u>	<u>(102,370)</u>	<u>(96,232)</u>
Administrative expense	<u>(13,348)</u>					
Net change in plan fiduciary net position	80,315	80,005	147,868	(53,200)	1,221	182,842
Plan fiduciary net position - beginning	<u>1,679,936</u>	<u>1,599,931</u>	<u>1,452,063</u>	<u>1,505,263</u>	<u>1,504,042</u>	<u>1,321,200</u>
Plan fiduciary net position - ending	<u>1,760,251</u>	<u>1,679,936</u>	<u>1,599,931</u>	<u>1,452,063</u>	<u>1,505,263</u>	<u>1,504,042</u>
Net Pension Liability - Ending	<u>\$ 607,963</u>	<u>\$ 601,583</u>	<u>\$ 493,713</u>	<u>\$ 500,242</u>	<u>\$ 428,778</u>	<u>\$ 251,131</u>
Plan fiduciary net position as a percentage of the total pension liability	74.33%	73.63%	76.42%	74.38%	77.83%	85.69%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not applicable. Plan members are volunteers

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

**TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN EMPLOYEE'S PENSION PLAN
LAST TEN YEARS**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 234,590	\$ 255,963	\$ 255,222	\$ 256,565	\$ 233,178	\$ 227,608	\$ 262,526	\$ 294,688	\$ 295,860	\$ 186,591
Contributions in relation to the actuarially determined contribution	234,590	255,963	273,000	256,564	240,000	227,608	262,526	294,688	187,000	312,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (17,778)	\$ 1	\$ (6,822)	\$ -	\$ -	\$ -	\$ 108,860	\$ (125,409)
Covered payroll	\$ 1,121,054	\$ 1,121,054	\$ 1,027,021	\$ 1,258,691	\$ 1,096,743	\$ 1,001,353	\$ 1,012,849	\$ 1,150,309	\$ 1,131,163	\$ 1,021,432
Contributions as a percentage of covered payroll	20.93%	22.83%	26.58%	20.38%	21.88%	22.73%	25.92%	25.62%	16.53%	30.55%

Notes to Schedule

Valuation date: January 1, 2019
Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	4.1014 years as of July 1, 2018
Asset valuation method	Fair value
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	6.50%
Retirement age	Normal retirement is age 65 and 5 years of participation Early retirement is age 55 and 7 years of service
Mortality	RP-2014 adjusted to 2006 Mortality Table with Scale MP-2018

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
VOLUNTEER FIREFIGHTERS' PENSION PLAN
LAST TEN YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 77,009	\$ 107,708	\$ 96,615	\$ 60,922	\$ 56,936	\$ 73,893	\$ 77,239	\$ 82,657	\$ 101,037	\$ 100,909
Contributions in relation to the actuarially determined contribution	<u>77,009</u>	<u>107,708</u>	<u>96,615</u>	<u>60,922</u>	<u>83,000</u>	<u>82,646</u>	<u>92,000</u>	<u>108,110</u>	<u>75,000</u>	<u>75,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,064)</u>	<u>\$ (8,753)</u>	<u>\$ (14,761)</u>	<u>\$ (25,453)</u>	<u>\$ 26,037</u>	<u>\$ 25,909</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: July 1, 2017
Measurement date: June 30, 2019
Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	5.94 years as of July 1, 2018
Asset valuation method	Fair value
Inflation	3.00%
Salary increases	N/A
Investment rate of return	6.50%
Retirement age	Normal retirement is age 65 and 5 years of participation Early retirement is age 55 and 10 years of service
Mortality	RP-2014 blue collar Mortality Table with Scale MP-2018

N/A - Not applicable. Plan members are volunteers

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST SIX YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense:						
Town Employees' Pension Plan	6.48%	4.63%	11.05%	-0.56%	1.38%	13.72%
Volunteer Firefighters' Pension Plan	6.46%	4.35%	11.15%	-0.73%	1.37%	15.05%

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



Combining and Individual Fund Statements and Schedules



General Fund

TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2019

Grand List Year	Balance Uncollected July 1, 2018	Current Levy	Lawful Corrections		Transfers to Suspense	Balance To Be Collected	Collections				Balance Uncollected June 30, 2019
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2017	\$	\$ 30,211,070	\$ 28,422	\$ 179,676	\$	\$ 30,059,816	\$ 29,876,405	\$ 73,847	\$ 9,359	\$ 29,959,611	\$ 183,411
2016	250,681		2,521	39,873		213,329	155,931	30,716	1,083	187,730	57,398
2015	100,694		347	33,068	28,013	39,960	21,923	8,724	226	30,873	18,037
2014	46,194		93	27,691		18,596	5,805	4,364	72	10,241	12,791
2013	32,366			26,271		6,095	300	206	24	530	5,795
2012	37,546			25,565		11,981	368	325	24	717	11,613
2011	32,280			25,061		7,219		92		92	7,219
2010	27,605			24,404		3,201				-	3,201
2009	21,917			18,517		3,400				-	3,400
2008	14,757			12,114		2,643				-	2,643
2007	7,457			4,854		2,603				-	2,603
2006	4,672			2,169		2,503				-	2,503
2005	546,837			546,612		225				-	225
2004	3,004			1,976		1,028				-	1,028
2003	2,859			1,881		978				-	978
	<u>\$ 1,128,869</u>	<u>\$ 30,211,070</u>	<u>\$ 31,383</u>	<u>\$ 969,732</u>	<u>\$ 28,013</u>	<u>\$ 30,373,577</u>	<u>\$ 30,060,732</u>	<u>\$ 118,274</u>	<u>\$ 10,788</u>	<u>\$ 30,189,794</u>	<u>\$ 312,845</u>



Nonmajor Governmental Funds

**TOWN OF HADDAM, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Special Revenue Funds					
	Medical Insurance Reserve Fund	Material Testing	Small Cities Fund	Grants	Town Clerk	Historic Documents Preservation
ASSETS						
Cash	\$	\$	\$	\$	\$ 11,128	\$ 6,362
Investments	133,158	15,577	8,107	40,853		
Loans receivable			85,540			
Due from other funds						
Total Assets	<u>\$ 133,158</u>	<u>\$ 15,577</u>	<u>\$ 93,647</u>	<u>\$ 40,853</u>	<u>\$ 11,128</u>	<u>\$ 6,362</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Unearned revenue	\$	\$	\$ 19,428	\$ 2,020	\$	\$
Accounts payable				2,335		608
Total liabilities	<u>-</u>	<u>-</u>	<u>19,428</u>	<u>4,355</u>	<u>-</u>	<u>608</u>
Fund Balances:						
Restricted			74,219	36,498	11,128	5,754
Committed	133,158	15,577				
Assigned						
Total fund balances	<u>133,158</u>	<u>15,577</u>	<u>74,219</u>	<u>36,498</u>	<u>11,128</u>	<u>5,754</u>
Total Liabilities and Fund Balances	<u>\$ 133,158</u>	<u>\$ 15,577</u>	<u>\$ 93,647</u>	<u>\$ 40,853</u>	<u>\$ 11,128</u>	<u>\$ 6,362</u>

(Continued on next page)

**TOWN OF HADDAM, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019**

	Debt Service	Capital Projects		
	Debt Service Fund	Open Space Fund	Silver Spring Road Fund	Total
ASSETS				
Cash	\$	\$	\$	\$ 17,490
Investments		39,672		237,367
Loans receivable				85,540
Due from other funds	945,684		28,619	974,303
Total Assets	\$ 945,684	\$ 39,672	\$ 28,619	\$ 1,314,700
LIABILITIES AND FUND BALANCES				
Liabilities:				
Unearned revenue	\$	\$	\$	\$ 21,448
Accounts payable				2,943
Total liabilities	-	-	-	24,391
Fund Balances:				
Restricted				127,599
Committed		39,672	28,619	217,026
Assigned	945,684			945,684
Total fund balances	945,684	39,672	28,619	1,290,309
Total Liabilities and Fund Balances	\$ 945,684	\$ 39,672	\$ 28,619	\$ 1,314,700

(Concluded)

TOWN OF HADDAM, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

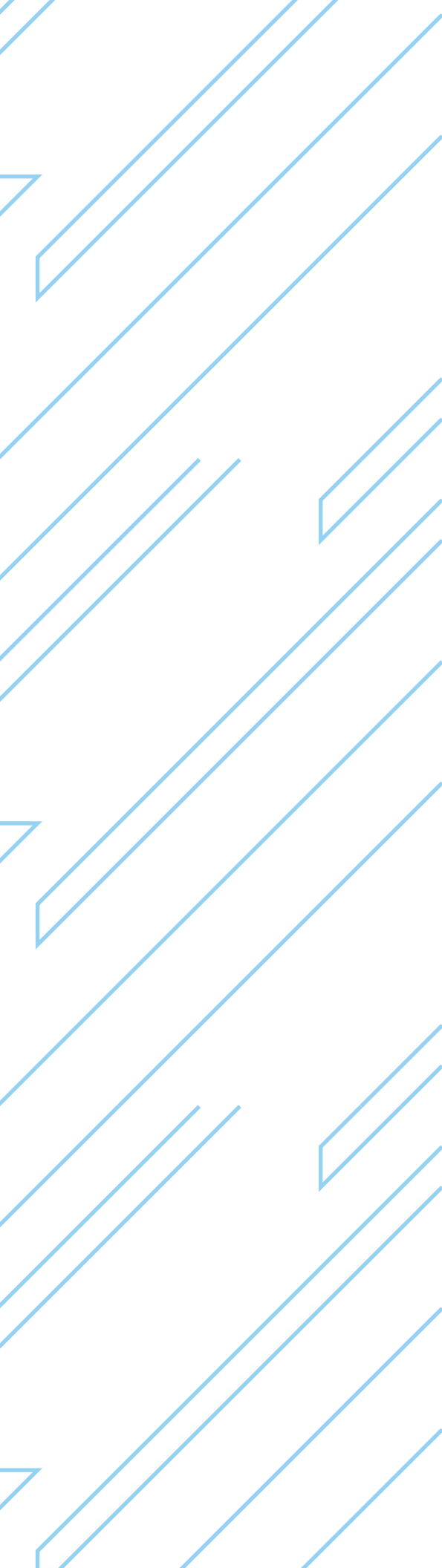
	Special Revenue Funds					
	Medical Insurance Reserve Fund	Material Testing	Small Cities Fund	Grants	Town Clerk	Historic Documents Preservation
Revenues:						
Intergovernmental	\$	\$	\$	\$ 35,834	\$	\$ 4,500
Charges for services					2,051	9,810
Income from investments	661		142	24		
Other	19,192					
Total revenues	<u>19,853</u>	<u>-</u>	<u>142</u>	<u>35,858</u>	<u>2,051</u>	<u>14,310</u>
Expenditures:						
Current:						
General government			57,239	35,836	1,188	12,416
Capital outlay						
Total expenditures	<u>-</u>	<u>-</u>	<u>57,239</u>	<u>35,836</u>	<u>1,188</u>	<u>12,416</u>
Excess (Deficiency) of Revenues over Expenditures	19,853	-	(57,097)	22	863	1,894
Fund Balances at Beginning of Year	<u>113,305</u>	<u>15,577</u>	<u>131,316</u>	<u>36,476</u>	<u>10,265</u>	<u>3,860</u>
Fund Balances at End of Year	<u>\$ 133,158</u>	<u>\$ 15,577</u>	<u>\$ 74,219</u>	<u>\$ 36,498</u>	<u>\$ 11,128</u>	<u>\$ 5,754</u>

(Continued on next page)

TOWN OF HADDAM, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	Debt Service	Capital Projects		
	Debt Service Fund	Open Space Fund	Silver Spring Road Fund	Total
Revenues:				
Intergovernmental	\$	\$	\$	\$ 40,334
Charges for services				11,861
Income from investments		349		1,176
Other				19,192
Total revenues	<u>-</u>	<u>349</u>	<u>-</u>	<u>72,563</u>
Expenditures:				
Current:				
General government				106,679
Capital outlay			150,424	150,424
Total expenditures	<u>-</u>	<u>-</u>	<u>150,424</u>	<u>257,103</u>
Excess (Deficiency) of Revenues over Expenditures	-	349	(150,424)	(184,540)
Fund Balances at Beginning of Year	<u>945,684</u>	<u>39,323</u>	<u>179,043</u>	<u>1,474,849</u>
Fund Balances at End of Year	<u>\$ 945,684</u>	<u>\$ 39,672</u>	<u>\$ 28,619</u>	<u>\$ 1,290,309</u>

(Concluded)



Trend Information

TABLE 1

**TOWN OF HADDAM, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN YEARS
(UNAUDITED)**

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net investment in capital assets	\$ 20,673,201	\$ 19,497,944	\$ 19,347,962	\$ 19,108,187	\$ 19,196,389	\$ 19,169,725	\$ 18,323,649	\$ 17,438,822	\$ 16,317,621	\$ 15,755,793
Restricted	127,599	96,377	78,726	102,998	72,824	94,702	82,447	87,060	87,764	48,867
Unrestricted	11,494,978	8,138,131	7,639,949	7,998,063	8,720,481	8,220,600	8,282,367	7,878,607	6,188,472	5,150,759
Total Net Position	<u>\$ 32,295,778</u>	<u>\$ 27,732,452</u>	<u>\$ 27,066,637</u>	<u>\$ 27,209,248</u>	<u>\$ 27,989,694</u>	<u>\$ 27,485,027</u>	<u>\$ 26,688,463</u>	<u>\$ 25,404,489</u>	<u>\$ 22,593,857</u>	<u>\$ 20,955,419</u>

TOWN OF HADDAM, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN YEARS
(UNAUDITED)

		FISCAL YEAR									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses:											
General government	\$	2,889,876	\$ 2,753,937	\$ 2,913,689	\$ 2,596,996	\$ 2,829,354	\$ 2,232,172	\$ 2,506,887	\$ 2,472,043	\$ 2,355,631	\$ 2,547,120
Public safety		1,041,549	1,088,719	1,043,013	1,149,444	1,167,256	1,082,302	1,178,583	1,195,176	1,056,072	1,043,980
Public works		2,959,747	2,460,422	3,176,518	3,087,324	2,989,389	2,673,437	2,340,587	1,412,438	2,564,669	3,700,466
Health and welfare		370,763	420,490	458,998	399,354	304,083	297,313	296,389	329,147	352,571	339,877
Culture and recreation		879,188	570,320	529,400	556,546	573,294	572,906	582,330	535,359	540,592	536,160
Education		24,531,502	24,076,806	23,682,299	23,465,940	22,376,890	21,414,632	20,918,591	20,170,062	19,463,675	19,468,254
Interest expense		220,983	231,367	197,538	60,535	67,998	184,219	33,854	9,320	13,031	20,194
Total Expenses		32,893,608	31,602,061	32,001,455	31,316,139	30,308,264	28,456,981	27,857,221	26,123,545	26,346,241	27,656,051
Program Revenues:											
General government		580,156	484,347	446,079	382,779	422,491	423,919	418,171	368,252	319,985	425,926
Public safety		55,422	32,838	43,369	37,034	48,036	41,405	3,616	27,230	19,990	9,118
Public works		3,600	1,493	2,450	2,950	15,226	18,933	2,550	1,700	6,383	2,010
Culture and recreation											
Operating grants and contributions		2,037,486	2,067,690	2,493,850	1,999,234	1,907,610	1,842,432	1,905,281	1,923,734	1,483,498	1,550,295
Capital grants and contributions		4,118,056	377,190	392,009	331,649	826,991	323,388	445,476	930,657	1,028,344	1,817,785
Total Program Revenues		6,794,720	2,963,558	3,377,757	2,753,646	3,220,354	2,650,077	2,775,094	3,251,573	2,858,200	3,805,134
Net Expenses		(26,098,888)	(28,638,503)	(28,623,698)	(28,562,493)	(27,087,910)	(25,806,904)	(25,082,127)	(22,871,972)	(23,488,041)	(23,850,917)
General Revenues:											
Property taxes		30,496,058	29,016,224	28,347,096	27,636,712	27,769,110	26,373,612	26,202,674	25,321,337	24,872,125	23,938,914
Grants and contributions not restricted to specific programs		48,605	165,627	89,185	93,786	147,991	136,918	140,529	202,899	216,196	223,728
Investment income		85,530	57,582	38,159	51,349	30,738	21,559	18,235	29,394	36,014	75,386
Miscellaneous		32,021	64,885	6,647	200	161,748	71,379	4,663	128,974	2,144	3,252
Total General Revenues		30,662,214	29,304,318	28,481,087	27,782,047	28,109,587	26,603,468	26,366,101	25,682,604	25,126,479	24,241,280
Changes in Net Position	\$	4,563,326	\$ 665,815	\$ (142,611)	\$ (780,446)	\$ 1,021,677	\$ 796,564	\$ 1,283,974	\$ 2,810,632	\$ 1,638,438	\$ 390,363

TABLE 3

TOWN OF HADDAM, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund:										
Committed	\$	\$	\$ 3,553,167	\$	\$	\$	\$	\$	\$	\$
Assigned				128,000						
Unassigned	<u>5,216,391</u>	<u>4,886,482</u>	<u>4,686,412</u>	<u>4,673,377</u>	<u>4,265,947</u>	<u>3,769,261</u>	<u>3,671,221</u>	<u>3,195,092</u>	<u>2,571,591</u>	<u>2,024,803</u>
Total General Fund	<u>5,216,391</u>	<u>4,886,482</u>	<u>8,239,579</u>	<u>4,801,377</u>	<u>4,265,947</u>	<u>3,769,261</u>	<u>3,671,221</u>	<u>3,195,092</u>	<u>2,571,591</u>	<u>2,024,803</u>
All other governmental funds:										
Nonspendable		85,540	85,540	66,112	103,542	103,542	103,542	103,542	86,338	96,338
Restricted	127,599	96,377	78,726	102,998	72,824	94,702	82,447	87,060	87,764	48,867
Committed	6,019,839	6,882,792	7,650,809	3,054,851	3,145,272	2,863,616	2,677,302	3,122,005	3,557,058	2,964,149
Assigned	945,684	945,684	1,158,515	676,137	676,137	495,242	605,907			
Unassigned								(2,372,251)		
Total All Other Governmental Funds	<u>7,093,122</u>	<u>8,010,393</u>	<u>8,973,590</u>	<u>3,900,098</u>	<u>3,997,775</u>	<u>3,557,102</u>	<u>3,469,198</u>	<u>940,356</u>	<u>3,731,160</u>	<u>3,109,354</u>
Grand Total	<u>\$ 12,309,513</u>	<u>\$ 12,896,875</u>	<u>\$ 17,213,169</u>	<u>\$ 8,701,475</u>	<u>\$ 8,263,722</u>	<u>\$ 7,326,363</u>	<u>\$ 7,140,419</u>	<u>\$ 4,135,448</u>	<u>\$ 6,302,751</u>	<u>\$ 5,134,157</u>

TABLE 4

TOWN OF HADDAM, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

		FISCAL YEAR									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:											
Property taxes	\$	30,234,107	\$ 29,037,666	\$ 28,231,741	\$ 28,685,674	\$ 27,718,031	\$ 26,605,805	\$ 26,074,511	\$ 25,282,077	\$ 24,955,511	\$ 23,772,257
Intergovernmental		6,143,189	2,588,607	2,949,688	2,402,823	2,360,087	2,350,169	2,321,156	2,659,811	2,124,657	1,944,228
Charges for services		610,746	525,563	498,545	422,963	479,529	472,122	429,002	449,408	348,485	440,306
Income from investments		128,030	57,583	38,159	51,349	30,738	21,559	18,235	29,394	35,752	75,124
Other		60,324	86,185			14,076	16,583		8,377	52,131	1,250
Total Revenues		37,176,396	32,295,604	31,718,133	31,562,809	30,602,461	29,466,238	28,842,904	28,429,067	27,516,536	26,233,165
Expenditures:											
Current:											
General government		2,391,369	2,427,138	2,707,350	2,371,401	2,275,707	2,205,925	2,454,567	2,546,891	2,229,545	2,430,042
Public safety		742,240	753,049	685,134	880,787	880,332	875,619	854,064	805,422	786,289	764,676
Public works		2,028,373	1,967,701	1,455,143	1,823,877	2,267,846	2,126,331	2,003,961	2,043,021	2,150,867	1,990,610
Health and welfare		370,763	420,490	458,998	399,354	304,083	297,313	296,389	329,147	352,571	339,877
Culture and recreation		499,474	519,111	517,526	529,841	535,287	518,521	513,115	497,520	502,753	498,885
Education		24,531,502	24,076,806	23,682,299	23,465,940	22,376,890	21,414,633	20,918,591	20,170,062	19,463,675	19,468,254
Debt service:											
Principal		465,000	465,000	140,000	187,897	185,959	184,099	42,313	40,600	73,988	327,236
Interest		240,315	245,596	175,865	66,388	71,826	76,487	122,669	9,321	13,031	13,417
Capital outlay		6,556,543	2,183,840	3,673,434	1,399,571	921,067	1,600,866	1,502,821	4,154,386	775,223	1,220,392
Total Expenditures		37,825,579	33,058,731	33,495,749	31,125,056	29,818,997	29,299,794	28,708,490	30,596,370	26,347,942	27,053,389
Excess (Deficiency) of Revenues over Expenditures		(649,183)	(763,127)	(1,777,616)	437,753	166,444	134,414	(2,167,303)	1,168,594	(820,224)	(347,344)
Other Financing Sources (Uses):											
Capital lease											
Issuance of debt				6,480,000				2,800,000			
Bond premium				256,143				70,557			
Sale of town property		61,821				153,895	19,500				877,500
Transfers in		1,550,073	1,301,800	1,770,158	1,047,200	969,189	1,765,881	1,093,103	1,295,102	1,269,758	1,631,707
Transfers out		(1,550,073)	(1,301,800)	(1,770,158)	(1,047,200)	(969,189)	(1,765,881)	(1,093,103)	(1,295,102)	(1,269,758)	(1,631,707)
Total Other Financing Sources		61,821	-	6,736,143	-	153,895	19,500	2,870,557	-	-	877,500
Net Change in Fund Balances	\$	(587,362)	\$ (763,127)	\$ 4,958,527	\$ 437,753	\$ 320,339	\$ 153,914	\$ 703,254	\$ 1,168,594	\$ (820,224)	\$ 530,156
Debt Service as a Percentage to Noncapital Expenditures		2.31%	2.36%	1.07%	0.86%	0.90%	0.95%	0.61%	0.24%	0.34%	1.32%

TABLE 5

**TOWN OF HADDAM, CONNECTICUT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (UNAUDITED)**

			Real Estate		Personal Property				Totals		Ratio of Total Assessed Value to Total Estimated Actual Value	Total Direct Rate
			Assessed Value	Estimated Actual Value	Motor Vehicle Assessed Value	Personal Property Assessed Value	Total Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value		
59	Year Ended June 30	Grand List	\$	\$	\$	\$	\$	\$	\$	\$		
	2019	2017	768,190,595	1,097,415,136	73,729,200	106,597,952	180,327,152	257,610,217	948,517,747	1,355,025,353	70.00%	31.69
	2018	2016	765,230,860	1,093,186,943	70,590,550	72,866,900	143,457,450	204,939,215	908,688,310	1,298,126,158	70.00%	31.69
	2017	* 2015	762,042,020	1,088,631,458	67,644,040	76,380,285	144,024,325	205,749,036	906,066,345	1,284,380,492	70.00%	31.20
	2016	2014	787,180,238	1,124,543,197	67,823,300	57,861,310	125,684,610	179,549,443	912,864,848	1,304,092,640	70.00%	31.20
	2015	2013	781,678,908	1,116,684,154	67,373,700	56,187,465	123,561,165	176,515,950	905,240,073	1,293,200,104	70.00%	30.39
	2014	2012	776,968,167	1,109,954,524	65,823,552	56,902,665	122,726,217	175,323,167	899,694,384	1,285,277,691	70.00%	28.99
	2013	2011	775,066,628	1,107,238,040	55,704,642	66,533,310	122,237,952	174,625,646	897,304,580	1,281,863,686	70.00%	29.48
	2012	* 2010	771,626,576	1,102,323,680	63,766,620	54,944,042	118,710,662	169,586,660	890,337,238	1,271,910,340	70.00%	28.23
	2011	2009	787,724,543	1,125,320,776	58,956,034	51,565,818	110,521,852	157,888,360	898,246,395	1,283,209,136	70.00%	27.40
	2010	2008	775,879,800	1,108,399,714	56,894,800	53,879,372	110,774,172	158,248,817	886,653,972	1,266,648,531	70.00%	26.40

* Revaluation performed for Grand List year

TABLE 6

**TOWN OF HADDAM, CONNECTICUT
PRINCIPAL TAXPAYERS
2017 GRAND LIST
(UNAUDITED)**

Taxpayer	(1) Assessment	Rank	Percent of Net Taxable Grand List
Conn. Light & Power Co	\$ 57,917,000	1	6.11%
Conn. Yankee Atomic Power	43,030,080	2	4.54%
MCAP Sabine Point LLC	7,914,350	3	0.83%
Riverhouse Properties LLC, The	2,299,702	4	0.24%
Davidson & Co., The	2,037,160	5	0.21%
Bridge Street Assoc.	1,636,173	6	0.17%
Camp Bethel Assoc. Inc.	1,462,850	7	0.15%
Pytlik Richard J & Patricia S	1,455,180	8	0.15%
Haddam Self Storage LLC	1,210,000	9	0.13%
WFS Earth Materials LLC	<u>1,177,990</u>	10	<u>0.12%</u>
TOTAL	\$ <u><u>120,140,485</u></u>		<u><u>12.67%</u></u>

*Based on October 1, 2017 Net Taxable Grant List of \$948,517,747.
Source: Tax Assessor, Town of Haddam*

TABLE 7

**TOWN OF HADDAM, CONNECTICUT
PROPERTY TAX RATES, LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)**

	Year Ended June 30	(1) (2) Tax Rate In Mills	Grand List Of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections to Date			
							Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance
61	2019	31.69	2017	\$ 30,059,816	\$ 29,876,405	99.4%	\$ -	\$ 29,876,405	99.4%	\$ 194,658
	2018	31.69	2016	28,916,621	28,665,940	99.1%	193,283	28,859,223	99.8%	57,398
	2017	31.20	2015	28,157,815	27,883,290	99.0%	256,488	28,139,778	99.9%	18,037
	2016	31.20	2014	28,544,380	28,250,410	99.0%	281,179	28,531,589	100.0%	12,791
	2015	30.39	2013	27,531,502	27,265,986	99.0%	259,721	27,525,707	100.0%	5,795
	2014	28.99	2012	26,502,050	26,201,284	98.9%	289,153	26,490,437	100.0%	11,613
	2013	29.48	2011	25,987,612	25,722,557	99.0%	257,836	25,980,393	100.0%	7,219
	2012	28.23	2010	25,123,509	24,809,142	98.7%	311,166	25,120,308	100.0%	3,201
	2011	27.40	2009	24,653,639	24,322,687	98.7%	327,552	24,650,239	100.0%	3,400
	2010	26.40	2008	23,381,524	23,079,561	98.7%	299,320	23,378,881	100.0%	2,643

Source: Town Audit Reports.

(1) There are no overlapping of tax rates.

(2) Tax levy is per \$1,000 of the assessed value of taxable property.

TABLE 8

**TOWN OF HADDAM, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30	Long-Term Debt Outstanding				Percentage of Personal Income	Debt Per Capita
	Bonds Payable	Bond Premium	Capital Leases	Total		
2019	\$ 7,790,000	\$ 279,918	\$	\$ 8,069,918	1.31%	\$ 938
2018	8,255,000	296,253		8,551,253	1.20%	999
2017	8,720,000	309,060		9,029,060	1.15%	1,046
2016	2,380,000	56,445		2,436,445	4.16%	286
2015	2,520,000	59,973	47,897	2,627,870	3.89%	307
2014	2,660,000	63,501	93,856	2,817,357	3.24%	331
2013	2,800,000	67,029	137,955	3,004,984	3.13%	358
2012			180,268	180,268	52.14%	22
2011			220,868	220,868	44.32%	27
2010			294,858	294,858	33.20%	37

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

TABLE 9

TOWN OF HADDAM, CONNECTICUT
RATIO OF LONG-TERM DEBT TO NET ASSESSED VALUE AND LONG-TERM
DEBT PER CAPITA
LAST TEN YEARS
(UNAUDITED)

Year Ended June 30	(1) Population	(2) Net Assessed Value	(3) Total Debt	Ratio of Total Debt To Net Assessed Value	Debt Per Capita
2019	8,303	\$ 948,517,747	\$ 8,069,918	0.85%	\$ 972
2018	8,264	908,688,310	8,551,253	0.91%	999
2017	8,338	906,066,345	9,029,060	0.96%	1,046
2016	8,333	912,864,848	2,436,445	0.26%	286
2015	8,366	905,240,073	2,627,870	0.28%	307
2014	8,308	899,694,384	2,817,357	0.31%	331
2013	8,383	897,304,580	3,004,984	0.33%	358
2012	8,366	890,337,238	180,268	0.02%	22
2011	8,155	898,246,395	220,868	0.02%	27
2010	7,914	886,653,972	294,858	0.03%	37

Sources:

- (1) CERC 2018 Town Report
- (2) Town Assessor's Department
- (3) From Table 8

**TOWN OF HADDAM, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Prior year property taxes, interest and lien fees collections					\$ 29,016,224
	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 65,286,504	\$	\$	\$	\$
4 1/2 times base		130,573,008			
3 3/4 times base			108,810,840		
3 1/4 times base				94,302,728	
3 times base					87,048,672
Total debt limitation	<u>65,286,504</u>	<u>130,573,008</u>	<u>108,810,840</u>	<u>94,302,728</u>	<u>87,048,672</u>
Indebtedness:					
Bonds payable	7,790,000				
Haddam share of Regional School District No. 17 debt		<u>2,743,903</u>			
Total indebtedness	<u>7,790,000</u>	<u>2,743,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 57,496,504</u>	<u>\$ 127,829,105</u>	<u>\$ 108,810,840</u>	<u>\$ 94,302,728</u>	<u>\$ 87,048,672</u>
The total net indebtedness above amounts to:					<u>\$ 10,533,903</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation					<u>\$ 203,113,568</u>

**TOWN OF HADDAM, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(UNAUDITED)**

Year Ended June 30	Debt Limit	Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable
2019	\$ 203,113,568	\$ 10,533,903	\$ 213,647,471	5.19%
2018	198,429,672	11,554,697	209,984,369	5.82%
2017	198,226,084	13,396,346	184,829,738	6.76%
2016	200,296,383	8,082,599	192,213,784	4.04%
2015	194,148,983	9,168,480	184,980,503	4.72%
2014	186,310,376	10,308,668	176,001,708	5.53%
2013	182,614,250	11,064,373	171,549,877	6.06%
2012	177,009,133	12,187,900	164,821,233	6.89%
2011	174,173,846	10,106,250	164,067,596	5.80%
2010	165,350,276	11,400,000	153,950,276	6.89%

TABLE 12

**TOWN OF HADDAM, CONNECTICUT
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

Year Ended	(1) Population	(2) Median Household Income	(3) Median Age	(2) Education Attainment			(4) School Enrollment	(5) Unemployment Percentage
				High School Graduate	Some College	Bachelor Or More		
2019	8,303	\$ 105,875	48	25%	11%	46%	1,196	2.8%
2018	8,264	99,258	48	25%	11%	46%	1,228	3.3%
2017	8,338	99,866	46	25%	11%	46%	1,252	3.6%
2016	8,333	99,010	45	25%	10%	45%	1,248	2.9%
2015	8,366	99,985	44	24%	27%	49%	1,287	2.7%
2014	8,308	89,184	44	24%	27%	43%	1,328	5.1%
2013	8,383	93,987	44	29%	27%	39%	1,335	5.9%
2012	8,366	93,987	44	29%	27%	39%	1,375	6.1%
2011	8,155	97,892	44	31%	25%	37%	1,353	6.4%
2010	7,914	97,892	44	31%	25%	37%	1,368	4.0%

(1,2,3) Connecticut Economic Resource Center, Inc.2018

(4) Regional School District No. 17 annual budget

(5) Connecticut Labor Department - Research and Statistics