

Town of Enfield Connecticut



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

**TOWN OF ENFIELD, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Department of Finance

John Wilcox
Director of Finance

INTRODUCTORY SECTION

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JUNE 30, 2016**

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TOWN OF ENFIELD

LETTER OF TRANSMITTAL

December 27, 2016

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

Dear Mr. Chodkowski:

In accordance with Chapter V, Section 8 of the adopted charter for the Town of Enfield, I am submitting herewith the Comprehensive Annual Financial Report (CAFR) of the Town of Enfield for the fiscal year ended June 30, 2016.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Enfield for the fiscal year ended June 30, 2016.

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

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

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

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

Profile of the Town of Enfield

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

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

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

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

Local Economy

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

The 2014 Grand List, upon which the 2015-2016 budget was prepared, was relatively unchanged from the prior year. Currently, there are no major projects on the horizon that would significantly impact, either positively or negatively, the value of the Grand List.

Long Range Planning

The Town updates its five year capital plan every year, as part of the annual budget process. Town staff evaluate the condition of the town's buildings and infrastructure in order to identify and prioritize projects that will require funding outside of the regular operating budget. The updated capital plan is included in the Annual Operating and Capital Budget. In fiscal year 2016 and 2017 the Town Officials budgeted \$3.021 million and \$2.437 million respectively for capital projects. In November 2016, voters approved spending \$11.2 million for energy performance improvements to Town and Board of Education buildings.

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the twenty-third consecutive year the Town has received this prestigious award, which is valid for a one-year period. In order to be awarded a certificate of achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John A. Wilcox". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John A. Wilcox
Acting Finance Director



Government Finance Officers Association

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

Presented to

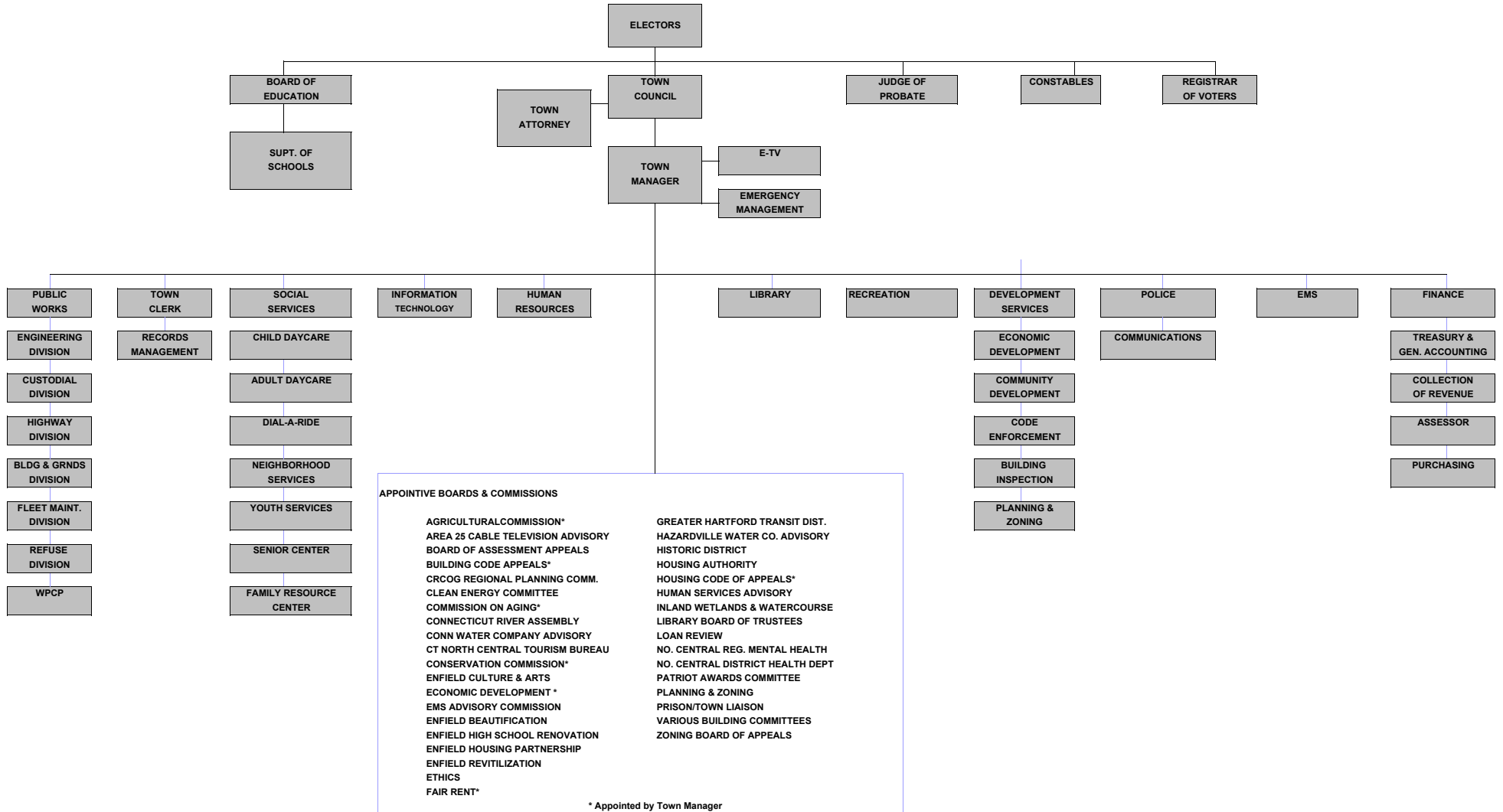
**Town of Enfield
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

**TOWN OF ENFIELD, CONNECTICUT
ORGANIZATIONAL CHART
June 30, 2016**



**TOWN OF ENFIELD, CONNECTICUT
PRINCIPAL OFFICIALS
JUNE 30, 2016**

TOWN COUNCIL

Scott R. Kaupin, Mayor
William Lee, Deputy Mayor
Joseph C. Bosco
William J. Edgar, Jr.
Edward N. Deni
Thomas Arnone
Gina L. Cekala
Liz Davis
Carol A. Hall
Gregory T. Stokes, Sr.
Donna H. Szewczak

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

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

BOARD OF EDUCATION

Thomas J. Sirard, Chairman
Mike Ludwick, Vice Chairman
Tina LeBlanc, Secretary
Vincent M. Grady
Walter Kruzal
Stacy Thurston
Lori Unghire
Robert Peabody
Timothy Neville
Dr. Jeffrey A. Schumann, Superintendent of Schools

FINANCIAL SECTION

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Enfield, Connecticut, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Enfield, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Enfield, Connecticut, as of June 30, 2016 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the fiscal year ended June 30, 2016, the Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information on pages 58 through 63, the pension schedules on pages 64 through 69 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, which 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 Enfield, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2016 on our consideration of the Town of Enfield, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Enfield, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 27, 2016

**TOWN OF ENFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

This discussion and analysis of the Town of Enfield, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements. All amounts in this section are reported in thousands unless otherwise noted.

Financial Highlights

- Net position of our governmental activities increased by \$9,749 or 4.04%.
- During the year, the Town had expenses and transfers that were \$9,749 less than the \$188,969 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$179,220.
- The General Fund reported a fund balance this year of \$26,590 an increase of \$788 or 3.05% over the prior year.
- General fund revenues were less budgetary estimates by \$1,513. Expenditures were kept within spending limits, with a positive variance of \$1,451.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position and the statement of activities on pages 13 and 14 provide information about the activities of the Town as a whole and present a long-term view of the Town's finances. Fund financial statements are presented on pages 15 through 23. For governmental activities, the statements show how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on pages 13 and 14. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are indicators of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall financial health of the Town.

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

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

Fund Financial Statements

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

- **Governmental Funds** (*pages 15 through 18*) - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities reported in the statement of net position and the statement of activities and governmental funds is described in a reconciliation between fund balances - all governmental funds and net position of governmental activities on pages 17 and 19.
- **Proprietary Funds** (*pages 19, 20 and 21*) - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (a component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Information Technology Fund.
- **Fiduciary Funds** (*pages 22 and 23*) - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined total net position increased by \$9,749 from a year ago, changing from \$241,503 to \$251,252. The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1
NET POSITION**

	Governmental Activities	
	2016	2015
Current and other assets	\$ 57,308	\$ 68,655
Capital assets	320,646	268,085
Total assets	<u>377,954</u>	<u>336,740</u>
Deferred outflows of resources	<u>6,840</u>	<u>4554</u>
Current liabilities	23,241	32,232
Noncurrent liabilities	93,198	64,358
Total liabilities	<u>116,439</u>	<u>96,590</u>
Deferred inflows of resources	<u>17,103</u>	<u>3201</u>
Net investment in capital assets	267,221	221,663
Restricted	1,701	1,758
Unrestricted	<u>(17,670)</u>	<u>18,082</u>
Total Net Position	<u>\$ 251,252</u>	<u>\$ 241,503</u>

The largest component of the net position is the investment in capital assets (buildings, infrastructure and equipment), which is presented less outstanding debt related to acquiring the assets. This portion of the net position is not available for spending. Unrestricted net position - the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased \$35,752 from the prior fiscal year.

The change in net position can also be analyzed by looking at the difference between revenues and program expenses. The Town's total revenues were \$188,969, an increase of \$12,985 over the prior year. The total cost of all programs and services was \$179,220, an increase of \$29,040 over the prior year. A more detailed discussion of fiscal year 2016 activity follows in the next sections.

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2016	2015
Revenues:		
Program revenues:		
Charges for services	\$ 14,178	\$ 14,124
Operating grants and contributions	50,443	46,447
Capital grants and contributions	32,435	28,935
General revenues:		
Property taxes	89,493	84,230
Grants and contributions not restricted to specific programs	2,092	2,065
Investment income	328	183
Total revenues	<u>188,969</u>	<u>175,984</u>
Expenses:		
General government	17,781	9,040
Public safety	32,366	15,315
Public works	26,780	26,430
Health and social services	9,967	9,600
Library	1,740	1,858
Planning and development	1,471	1,518
Education	86,113	83,736
Interest on long-term debt	3,002	2,683
Total expenses	<u>179,220</u>	<u>150,180</u>
Change in Net Position	9,749	25,804
Beginning Net Position	<u>241,503</u>	<u>215,699</u>
Ending Net Position	<u>\$ 251,252</u>	<u>\$ 241,503</u>

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

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General government	\$ 17,781	\$ 9,040	\$ 12,906	\$ 3,537
Public safety	32,366	15,315	31,568	14,553
Public works	26,780	26,430	18,114	20,642
Education	86,113	83,736	9,983	12,622
Health and social services	9,967	9,600	3,407	3,290
All others	<u>6,213</u>	<u>6,059</u>	<u>6,186</u>	<u>6,030</u>
Total	<u>\$ 179,220</u>	<u>\$ 150,180</u>	<u>\$ 82,164</u>	<u>\$ 60,674</u>

The total cost of services increased \$29,040 or 19.34 % from 2015 to 2016. There was no change in services provided by the Town. The primary cost drivers for the fiscal year were due to increases in General Government, Public Safety and Board of Education spending.

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - page 15) reported a combined total fund balance of \$17,150 which is a 21.95% decrease from last year's total of \$21,973. The fund balance in the general fund increased \$788 from the prior year. Page 44 shows the details of the governmental fund balances. More detail with respect to activity in the General Fund is presented in the General Fund Budgetary Highlights section.

There continues to be a deficit in the Water Pollution Control Fund, which decreased by \$398 during the year. \$2,492 is reserved in the General Fund nonspendable fund balance to cover part of the deficit. In fiscal year 2013-2014 the Council voted to convert the funding basis for the WPCA from ad valorem to user fee, in order to raise revenue to foot the cost of approximately \$36 million in upgrades to the plant. The change to user fee went into effect January 1, 2014. The rates were structured to provide enough revenue to pay back the general fund \$300 a year over a ten year period, and to support anticipated debt repayment of approximately \$31 million for plant upgrades and repairs.

The fund balance in the Bonded Projects Fund has a deficit of \$13,026, an increase of \$ 6,522 over the prior year. The deficit is a result of spending associated with the "Roads 2015" paving program and the High School Consolidation project. Bonds and bond anticipation notes were issued during the year in the amount of \$20,000 and \$10,000 respectively to cover deficits in cash flows. The deficit will be covered in fiscal year 2017-2018 with the issuance of bonds.

The fund balance in the Capital Nonrecurring Fund increased \$510, to \$4,105. Spending in the Capital and Nonrecurring Fund in fiscal year 2016 was \$3,263 compared to \$2,511 in fiscal year 2015. The Town records purchase of equipment, capital grants and major maintenance projects in this fund. Spending has decreased from prior years as one time grants are completed.

The fund balances in the Nonmajor Governmental Funds is \$2,763, an increase of \$3 over the prior year. Pages 77-78 show the activity details for Nonmajor governmental funds. Spending activity is primarily education related and pertains to grants, student activity and cafeteria expenditures and revenues.

Fund balance in the governmental funds is classified according to the strength of the spending constraints for which it can be used, and are listed on the balance sheet according to the strength of the restriction, from most to least restrictive. Nonspendable fund balance represents 21% of the total fund balance. Amounts classified in this category include inventory and the corpus of endowment funds, prepaid interest and \$2,492 that has been advanced to the Water Pollution Control Fund. Restricted fund balance is 5% of the total fund balance and represents donations and grants whose spending is restricted to a particular purpose by the donor or granting authority. Committed fund balance is 46% of the total fund balance and represents amounts committed by the Town Council for a particular purpose. The amounts in this category are committed primarily through the budget making process or by resolution. Assigned fund balance represents encumbrances outstanding at year end, the remaining Board of Education budget that will be appropriated in fiscal year 2016 and the amount used to balance the fiscal year 2017 budget. Assigned fund balance represents 18% of the total fund balance. The unassigned fund balance, which is available for spending, is 10%. As mentioned earlier in this discussion, the WPCA fund and Bonded Projects fund are currently running deficits thereby reducing the unassigned fund balance to \$1,762. The deficit in the Bonded Projects Fund will be eliminated with future bonding and the deficit in the Water Pollution Control Fund will be eliminated over the next ten years through revenue raised by user fees.

Proprietary Funds

The Town of Enfield utilizes internal service funds to report the costs associated with liability insurance, health insurance and information technology for the Board of Education and the Town. Details of the activities in these funds are shown on pages 80-82. The net position of these funds decreased \$2,877 or 91%, to \$291. The decrease was primarily due to higher than estimated health insurance claims.

General Fund Budgetary Highlights

General fund revenues and expenditures are presented on a budgetary basis on pages 58-64. Note that for budgetary purposes, the general fund excludes the funds that were previously classified as special revenue, prior to the implementation of GASB 54.

Revenue Variances

Better than expected collections resulted in a positive variance of \$553 for all tax collections. Tax collections are currently budgeted on a cash basis and included \$300 for prior year collections. During the year the tax office conducted a "Tax Collector" sale. The proceeds of the sale contributed an additional \$223 to delinquent taxes and interest collected. Real estate collections were budgeted at 98.65%, motor vehicle at 94.2% and personal property at 97.1%. The blended tax collection rate for current year taxes was 98.26%, which represents a slight increase from the prior year collection rate of 98.00%.

Variances in intergovernmental revenue were caused by changes made by the state during the year to individual grant line items. In addition, the Town adopts their budget prior to the States adoption of their budget. Therefore, changes made by the State to grant allocations after the Town adopts its budget can result in variances. Intergovernmental revenue had a net negative variance of \$59.

Charges for services had a total positive variance of \$165. Budgets in this category are estimated based on historical averages and normally vary from year to year. The largest variance occurred in the conveyance taxes and building and mechanical permit budgets.

Interest on investments had a positive variance of \$134. General fund investments are limited by state statute to risk free instruments as specified in Note 3. Unfavorable economic conditions have kept investment interest rates low.

The general fund had a total negative revenue variance of \$1,513 due mainly to the planned usage of fund balance to cover expenses.

Expenditure Variances

Budgetary expenditures had a total positive variance of \$1,451. The largest variances occurred in the following departments: General Government \$230, Public Works \$624, and Public Safety \$368.

Additional appropriations from fund balance in the amount of \$292 were made as follows:

During 2015-2016 council deliberations the Town Council agreed they would allow the Board of Education to roll forward the remaining balance of their 2015 budget to 2016, resulting in an additional appropriation of \$292.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2016, the Town had \$320,646 invested in a broad range of capital assets, including land, buildings, building improvements, machinery and equipment, vehicles and infrastructure (roads, sewer lines, sidewalks) - Note 3(C). This amount represents a net increase (including additions and deductions) of \$52,561 over the prior year.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities	
	2016	2015
Land	\$ 12,255	\$ 12,255
Construction in progress	87,935	45,015
Buildings	15,030	15,589
Building improvements	45,887	47,365
Machinery and equipment	8,705	8,171
Vehicles	8,622	7,385
Infrastructure	142,212	132,305
Total	\$ <u>320,646</u>	\$ <u>268,085</u>

This year's major additions included:

- The continuation of a variety of road rehabilitation projects - "Roads 2010 and Roads 2015" in the amount of \$14,996
- Construction on the Enfield High School project of \$41,944.
- Purchase of twelve police vehicles in the amount of \$314.
- Purchase of two ambulances and another vehicle for EMS for \$415.
- Purchase of a dump truck, two vans, and several trucks vehicles for Public Works for \$653.
- Purchase of two heavy trucks for Water Pollution Control for \$587.

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

Long-Term Debt

At June 30, 2016, the Town had \$58,510 in bonds outstanding compared to \$41,590 last year - an increase of 41% as shown in Table 5.

**TABLE 5
OUTSTANDING DEBT**

	Governmental Activities	
	2016	2015
General obligation bonds - Town	\$ 46,484	\$ 38,434
General obligation bonds - School improvements	<u>12,026</u>	<u>3,156</u>
Total	<u>\$ 58,510</u>	<u>\$ 41,590</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$688,688 which significantly exceeds the Town's outstanding general obligation debt.

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

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

Council set the mill rate for the 2015-2016 budget at 29.89 mills 2014-2015 budget at 29.13, an increase of .76 mills over the prior year. The mill rate for fiscal year 2016-2017 is set at 30.86, an increase of .97 mills from the prior year. General fund spending increased to \$129,024, an increase of 3.75% over the fiscal year 2016 budget. The largest increases were in Board of Education \$1,742, Public Works of \$343, and Planning and Development of \$178. Additionally, debt service payments increased by \$1,309.

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

Unemployment (not seasonally adjusted) in the Town as of October 2016 was 5.0% versus 4.5% a year ago. The State's unemployment rate is 5.1% and the national rate is 4.9% for the same time period.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Acting Finance Director, John Wilcox, Town of Enfield, 820 Enfield Street, Enfield, Connecticut, 06082.

**BASIC
FINANCIAL
STATEMENTS**

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2016

(In Thousands)

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 28,039
Investments	12,927
Receivables, net	15,234
Prepaid items	1,032
Inventories	76
Capital assets, nondepreciable	100,190
Capital assets, net of accumulated depreciation	220,456
Total assets	<u>377,954</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	482
Changes in projected pension investment earnings	4,543
Changes in pension actuarial experience	1,815
Total deferred outflows of resources	<u>6,840</u>
Liabilities:	
Accounts payable and accrued liabilities	12,906
Unearned revenue	335
Bond anticipation notes payable	10,000
Noncurrent liabilities, due within one year	6,318
Noncurrent liabilities, due in more than one year	86,880
Total liabilities	<u>116,439</u>
Deferred Inflows of Resources:	
Changes in projected pension investment earnings	7,765
Changes in pension actuarial experience	2,666
Changes in pension actuarial assumptions	4,662
Advance property tax collections	2,010
Total deferred inflows of resources	<u>17,103</u>
Net Position:	
Net investment in capital assets	267,221
Restricted for:	
Trust purposes:	
Expendable	26
Non-expendable	37
Loans	1,638
Unrestricted	<u>(17,670)</u>
Total Net Position	<u>\$ 251,252</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:					
General government	\$ 17,781	\$ 3,093	\$ 1,782	\$	\$ (12,906)
Public safety	32,366	672	120	6	(31,568)
Public works	26,780	4,945	3,321	400	(18,114)
Health and social services	9,967	4,353	203	2,004	(3,407)
Library	1,740	16	11		(1,713)
Planning and development	1,471				(1,471)
Education	86,113	1,099	45,006	30,025	(9,983)
Interest expense	3,002				(3,002)
Total governmental activities	<u>179,220</u>	<u>14,178</u>	<u>50,443</u>	<u>32,435</u>	<u>(82,164)</u>
Total	<u>\$ 179,220</u>	<u>\$ 14,178</u>	<u>\$ 50,443</u>	<u>\$ 32,435</u>	<u>(82,164)</u>
General revenues:					
Property taxes					89,493
Grants and contributions not restricted to specific programs					2,092
Investment income					328
Total general revenues					<u>91,913</u>
Change in net position					9,749
Net Position at Beginning of Year					<u>241,503</u>
Net Position at End of Year					<u>\$ 251,252</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ENFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

(In Thousands)

	<u>General</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 15,474	\$ 2,108	\$ 6,122	\$ 763	\$ 2,793	\$ 27,260
Investments	9,418			2,355		11,773
Receivables, net	11,132	1,227		888	1,898	15,145
Due from other funds	4,110			345		4,455
Advances to other funds	2,492					2,492
Prepaid items	1,029					1,029
Inventory					76	76
Total Assets	\$ 43,655	\$ 3,335	\$ 6,122	\$ 4,351	\$ 4,767	\$ 62,230
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,466	\$ 384	\$ 5,818	\$ 246	\$ 59	\$ 9,973
Due to other funds	1,331	2,735	400		208	4,674
Advances from other funds		2,492				2,492
Bond anticipation notes payable			10,000			10,000
Unearned revenue	77		159		99	335
Total liabilities	4,874	5,611	16,377	246	366	27,474
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	8,508					8,508
Unavailable revenue - sewer user fees		1,006				1,006
Unavailable revenue - EMS receivable	1,615					1,615
Unavailable revenue - grants receivable	58		2,771			2,829
Unavailable revenue - loans receivable					1,638	1,638
Advance property tax collections	2,010					2,010
Total deferred inflows of resources	12,191	1,006	2,771		1,638	17,606
Fund Balances:						
Nonspendable	3,521				113	3,634
Restricted					804	804
Committed	1,889			4,105	1,846	7,840
Assigned	3,110					3,110
Unassigned	18,070	(3,282)	(13,026)			1,762
Total fund balances	26,590	(3,282)	(13,026)	4,105	2,763	17,150
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 43,655	\$ 3,335	\$ 6,122	\$ 4,351	\$ 4,767	\$ 62,230

(Continued on next page)

TOWN OF ENFIELD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016
(In Thousands)

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

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)	\$ 17,150
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 444,371	
Less accumulated depreciation	<u>(123,931)</u>	
		320,440

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

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

Property tax receivables	4,056
Interest on property taxes	4,452
Sewer use receivable	1,006
EMS receivable	1,615
Grants receivable	2,829
Housing loans	1,638
Deferred charge on refunding	482
Deferred outflows related to changes in projected pension investment earnings	4,543
Deferred outflows related to pension actuarial experience	1,815

Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and sewer notes payable	(58,510)
Bond premium	(3,645)
Compensated absences	(7,060)
Accrued interest payable	(912)
Capital lease	(1,364)
Landfill closure	(180)
Claims payable	(672)
Net pension liability	(18,430)
Changes in deferred inflows related to changes in projected pension investment earnings	(7,765)
Deferred inflows related to changes in pension actuarial assumptions	(2,666)
Deferred inflows related to changes in assumptions	(4,662)
Net OPEB obligation	<u>(3,199)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 251,252</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>General</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 86,628	\$ 6	\$	\$	\$	\$ 86,634
Intergovernmental	45,301	346	30,025	887	5,609	82,168
Charges for services	7,838	4,714		31	918	13,501
Contributions and donations	216				58	274
Investment income (loss)	230			96	(5)	321
Other revenues		125		67	10	202
Total revenues	<u>140,213</u>	<u>5,191</u>	<u>30,025</u>	<u>1,081</u>	<u>6,590</u>	<u>183,100</u>
Expenditures:						
Current:						
General government	6,292				214	6,506
Public safety	13,451				210	13,661
Public works	16,772	4,402				21,174
Health and social services	9,573					9,573
Library	1,653				20	1,673
Planning and development	1,388					1,388
Intergovernmental and interagency	464					464
Education	75,996				6,202	82,198
Non-departmental	6,355					6,355
Capital outlay			57,056	3,263		60,319
Debt service	5,760		248			6,008
Total expenditures	<u>137,704</u>	<u>4,402</u>	<u>57,304</u>	<u>3,263</u>	<u>6,646</u>	<u>209,319</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,509</u>	<u>789</u>	<u>(27,279)</u>	<u>(2,182)</u>	<u>(56)</u>	<u>(26,219)</u>
Other Financing Sources (Uses):						
Bond issuance			20,000			20,000
Bond premiums	1,139		132			1,271
Issuance of refunding bonds			10,770			10,770
Payments to escrow agent			(11,867)			(11,867)
Premium on refunding bond issuance			1,222			1,222
Transfers in	391		500	3,192	59	4,142
Transfers out	(3,251)	(391)		(500)		(4,142)
Net other financing sources (uses)	<u>(1,721)</u>	<u>(391)</u>	<u>20,757</u>	<u>2,692</u>	<u>59</u>	<u>21,396</u>
Net Change in Fund Balances	788	398	(6,522)	510	3	(4,823)
Fund Balances at Beginning of Year	<u>25,802</u>	<u>(3,680)</u>	<u>(6,504)</u>	<u>3,595</u>	<u>2,760</u>	<u>21,973</u>
Fund Balances at End of Year	<u>\$ 26,590</u>	<u>\$ (3,282)</u>	<u>\$ (13,026)</u>	<u>\$ 4,105</u>	<u>\$ 2,763</u>	<u>\$ 17,150</u>

(Continued on next page)

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

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

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

Net change in fund balances - total governmental funds (Exhibit IV) \$ (4,823)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay 60,723
Depreciation expense (7,672)

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 6

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. (702)

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

Property tax receivable - accrual basis change 368
Property tax interest revenue - accrual basis change 2,585
Sewer use receivable - accrual basis change 69
EMS receivable - accrual basis change 447
Grants receivable - accrual basis change 2,456
Loans receivable - accrual basis change (57)
Changes in deferred outflows related to changes in projected pension investment earnings 1,227
Changes in deferred outflows related to pension actuarial experience 577

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

Issuance of bonds (20,000)
Issuance of refunding bonds (10,770)
Premium on bond issuance (1,271)
Premium on refunding bond issuance (1,222)
Bond principal payments 2,750
Payment to escrow agent 11,867
Capital lease payments 1,557

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

Compensated absences 103
Change in accrued interest 21
Amortization of bond premiums 230
Amortization of deferred charge on refunding 7
Claims payable 19
Landfill closure 15
Net pension liability (10,225)
Changes in deferred inflows related to changes in projected pension investment earnings (7,765)
Changes in deferred inflows related to pension actuarial experience (2,666)
Changes in deferred inflows related to changes in pension actuarial assumptions (4,239)
Net OPEB expense (989)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities (2,877)

Change in Net Position of Governmental Activities (Exhibit II) \$ 9,749

The accompanying notes are an integral part of the financial statements

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

(In Thousands)

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 777
Investments	1,153
Accounts receivable	90
Prepaid expenses	2
Due from other funds	1,271
Total current assets	<u>3,293</u>
Noncurrent assets:	
Capital assets, net	<u>206</u>
Total assets	<u>3,499</u>
Liabilities:	
Current liabilities:	
Accounts payable	535
Claims payable	1,483
Current portion of capital lease payable	69
Due to other funds	1,052
Total current liabilities	<u>3,139</u>
Noncurrent liabilities:	
Capital lease payable	<u>69</u>
Total liabilities	<u>3,208</u>
Net Position:	
Unrestricted	<u>\$ 291</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	Governmental Activities Internal Service Funds
Operating Revenues:	
Charges for services	\$ <u>19,481</u>
Operating Expenses:	
Health insurance claims	17,944
Risk management claims	1,324
Technology services	<u>3,101</u>
Total operating expenses	<u>22,369</u>
Operating Loss	(2,888)
Nonoperating Revenue:	
Investment income	<u>11</u>
Change in Net Position	(2,877)
Net Position at Beginning of Year	<u>3,168</u>
Net Position at End of Year	\$ <u><u>291</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Cash Flows from Operating Activities:	
Receipts from charges for services	\$ 19,369
Payments for claims, premiums and fees	(20,592)
Net cash provided by (used in) operating activities	<u>(1,223)</u>
Cash Flows from Capital and Related Financing Activities:	
Payments on capital lease	(68)
Cash Flows from Investing Activities:	
Sales of investments	(751)
Investment income	11
Net cash provided by (used in) investing activities	<u>(740)</u>
Net Increase (Decrease) in Cash	(2,031)
Cash at Beginning of Year	<u>2,808</u>
Cash at End of Year	<u>\$ 777</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (2,888)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Decrease (increase) in accounts receivable	(24)
Decrease (increase) in prepaid expenses	15
Decrease (increase) in due from other funds	(88)
Increase (decrease) in accounts payable and other payables	405
Increase (decrease) in claims payable	359
Increase (decrease) in due to other funds	998
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,223)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ <u> 192</u>	\$ <u> 1,618</u>
Investments:		
Stocks	2,381	
Municipal bonds	883	
Deferred retirement option program	1,169	
Mutual funds	819	
Guaranteed deposit	19,555	
Insurance company-pooled separate account	90,280	
Real estate funds	6,835	
Total investments	<u> 121,922</u>	<u> -</u>
Total assets	122,114	1,618
Liabilities:		
Accounts payable	<u> </u>	<u> 1,618</u>
Net Position:		
Restricted for Pension and Other Employee Benefits	\$ <u> 122,114</u>	\$ <u> -</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer contributions	\$ 5,452
Employee contributions	1,260
Total contributions	<u>6,712</u>
Investment earnings:	
Interest and dividends	2,569
Net change in fair value of investments	194
Total investment earnings	<u>2,763</u>
Less investment expenses:	
Investment management fees	379
Net investment earnings	<u>2,384</u>
Total additions	<u>9,096</u>
Deductions:	
Benefits paid	6,967
Administration expenses	224
Total deductions	<u>7,191</u>
Change in Net Position	1,905
Net Position at Beginning of Year	<u>120,209</u>
Net Position at End of Year	<u>\$ 122,114</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Enfield, Connecticut (the Town) was settled in 1683. The Town operates under a Council-manager form of government and provides the following services as authorized by its charter (last revised in 2014); public safety (police and fire), highways and streets, sanitation, social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. The criteria provided in GASB Codification, Section 2100, have been considered and there are no agencies or entities which should be presented with the Town.

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension obligations, other post-employment benefits and claims and judgments, are recorded only when payment is due (matured).

The Town reports the following major governmental funds:

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

The *Water Pollution Control Fund* accounts for the collection of user charges in relation to the cost of water pollution control and the financing of sanitary sewer improvements or services deemed to benefit the properties against which special assessments are levied.

The *Bonded Projects Fund* accounts for the bonded and financial revenues to be used for major capital asset construction and/or purchases.

The *Capital Nonrecurring Fund* accounts for the accumulation of monies for capital projects.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the financing of goods or services provided by one department to other departments or agencies on a cost-reimbursement basis. The Health Insurance Fund is used to account for the revenues and related expenditures for the health insurance plan for employees. The Commercial Liability Fund accounts for commercial liability insurance activities of the Town. The Information Technology Fund accounts for the financial operations of the central information systems department.

The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities of the Enfield Employees Retirement System and to account for the retiree health benefits of the single-employer defined benefit plan.

The *Agency Funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The Town maintains several agency funds for performance bonds, Asnuntuck College, Cultural Arts Commission and other student activities.

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

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

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

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

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

F. Receivables and Payables

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

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

All trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon collection history and analysis of creditor's ability to pay.

Loan receivables consist of Community Development Block Grant loans. The Town provides low-interest loans for residential rehabilitation as well as loans to local businesses for facility improvements.

G. Capital Assets

Capital assets, which include property, buildings, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 for vehicles and equipment, \$20,000 for buildings and improvements and \$100,000 for infrastructure (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**TOWN OF ENFIELD, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016**

(In Thousands)

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Buildings and improvements	20-75
Machinery and equipment	10-30
Vehicles	10-30
Infrastructure:	
Roads	40
Sidewalks	40
Bridges	70-80
Sewer Lines	100

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience 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).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from changes in assumptions. 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). Additionally, the Town reports advance property tax collections in both the government-wide statement of net position and in the governmental funds. The advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, sewer user fees, EMS, grants, and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

I. Compensated Absences

Town employees are granted vacation leave based upon length of employment and sick time depending on which union the employee belongs to. In the event of termination, employees are compensated for accumulated vacation and sick time. The Board of Education has employment contracts, which provide for the accrual of sick pay based on length of service. Vacation and sick leave expenses to be paid in the future periods are accrued when incurred in the government-wide statement. A liability for these amounts is reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of employee resignations and retirements. Compensated absences are generally paid out of the General Fund.

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. OPEB Obligations

The OPEB obligations represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plans. These amounts are calculated on an actuarial basis and are recorded as noncurrent assets and/or noncurrent liabilities, accordingly, in the government-wide financial statements.

L. Long-Term Obligations

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

M. Equity

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

Net Investment in Capital Assets

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

Restricted

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

Unrestricted

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

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 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 Enfield Town Council). The Town Council can commit fund balance through the adoption of a resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until similar action is taken to remove or revise the limitation.

Assigned Fund Balance

This balance represents amounts constrained for the intent to be used for a specific purpose by the Director of Finance who has been delegated authority to assign amounts through approval of purchase orders by the Town Council.

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 ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

N. Property Taxes

Property taxes are assessed as of October 1. Real estate and personal property taxes are due and payable in two installments on July 1 and the following January 1. Motor vehicle taxes are due and payable July 1, and motor vehicle supplemental taxes are due and payable on January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

O. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund and Water Pollution Control Plant Fund financial statements.

By Charter, the Town Manager submits proposed budgets for the General Fund and Water Pollution Control Plan Fund to the Town Council 75 days prior to fiscal year end. The operating budgets include proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally enacted through passage of a resolution.
- Management is authorized to transfer amounts without approval of the Town Council within departments. Transfers between departments (within functions) can only be made by the Town Council and only within the last six months of the fiscal year.
- The Department of Education is not a separate legal entity, but a separate function of the Town. Its Board is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Town Council approval and, if necessary, approval at a public hearing or referendum.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is generally 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 for the General Fund and at the fund level for the Water Pollution Control Plant Fund.
- Budgeted amounts shown are as amended by the Town Council during the course of the year. There were additional appropriations totaling \$292 million during the year.
- Generally, all appropriations lapse at year end, except those for the Capital Projects Fund. Appropriations for capital projects are continued until completion of applicable projects, even when project extend more than one fiscal year.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year.
- Budgets are also legally adopted and presented for the Social Services Fund, Emergency Medical Fund and Water Pollution Control Fund.

B. Deficit Fund Equity

The following governmental funds had fund balance deficits at June 30, 2016:

- The Water Pollution Control Fund had a deficit fund balance of \$3,282 which will be funded from future charges for services and General Fund appropriations.
- The Bonded Projects Fund had a deficit fund balance of \$13,026 which will be funded from the issuance of general obligation bond anticipation notes and bonds.
- The Health Insurance Fund had a deficit net position of \$1,178 which will be funded from future charges for services.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

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

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

Deposits

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$28,580 of the Town's bank balance of \$38,005 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 25,612
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,968</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 28,580</u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2016, the Town's cash equivalents amounted to \$574. The following table provides summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard & Poor's</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm

Investments

As of June 30, 2016, the Town had the following investments:

<u>Investment Type</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:				
U.S. Government securities	\$ 4,401	\$ 287	\$ 4,019	\$ 95
Corporate bonds	247		184	63
Certificates of deposit	<u>8,160</u>	<u>1,477</u>	<u>6,683</u>	
Total	12,808	<u>\$ 1,764</u>	<u>\$ 10,886</u>	<u>\$ 158</u>
Other investments:				
Mutual funds	1,820			
Deferred retirement option program	1,169			
Insurance company-pooled separate account	90,280			
Guaranteed deposit	19,555			
Common stock	2,381			
Real estate	<u>6,835</u>			
Total Investments	<u>\$ 134,848</u>			

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

<u>Average</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>Certificates of Deposit</u>
A	\$ 30	\$ -	-
AA	-	270	-
AA+	34	3,124	-
AAA	-	242	-
A-	62	-	-
AA-	-	248	-
BB+	31	-	-
BBB+	90	-	-
N/A	-	215	8,160
Unrated	-	302	-
	<u>\$ 247</u>	<u>\$ 4,401</u>	<u>\$ 8,160</u>

Investment Custodial Credit Risk

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

Credit Risk

The Town has no investment policy that would limit its investment choices due to credit risk other than State statutes governing investments in obligations of any state or political subdivision or in obligations of the State of Connecticut or political subdivision.

Interest Rate Risk

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

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

Fair Value

The Town adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. The new disclosure is presented below:

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 as of June 30, 2016:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government securities	\$ 4,401	\$ 4,401	\$	\$
Corporate bonds	247	247		
Common stock	2,381	2,381		
Mutual funds	1,820	1,820		
Deferred retirement option program	1,169	1,169		
Insurance company-pooled separate account	90,280	83,791	6,489	
Guaranteed deposit	19,555			19,555
	<u>119,853</u>	<u>\$ 93,809</u>	<u>\$ 6,489</u>	<u>\$ 19,555</u>
Total investments by fair value level				
Investments measured at NAV:				
Prudential Real Estate	3,563			
PGIM Real Estate	3,272			
Total investments measured at NAV	<u>6,835</u>			
Total investments measured at fair value	<u>\$ 126,688</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

Real Estate investments are valued as described in the following schedule.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Prudential Real Estate	\$ 3,563	\$ -	Quarterly	30-60 days
PGIM Real Estate	<u>3,272</u>	<u>-</u>	Quarterly	30-60 days
Total Investments Measured at NAV	<u>\$ 6,835</u>	<u>\$ -</u>		

B. Receivables

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

	<u>Governmental Activities</u>				
	<u>General</u>	<u>Water Pollution Control</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 5,838	\$	\$	\$	\$ 5,838
Interest	4,451				4,451
Sewer user fees		1,273			1,273
Accounts and other	2,590			90	2,680
Housing loans				1,638	1,638
Intergovernmental	<u>160</u>	<u>18</u>	<u>888</u>	<u>260</u>	<u>1,326</u>
Gross receivables	13,039	1,291	888	1,988	17,206
Less: allowance for collection losses	<u>1,907</u>	<u>64</u>			<u>1,971</u>
Net Total Receivables	<u>\$ 11,132</u>	<u>\$ 1,227</u>	<u>\$ 888</u>	<u>\$ 1,988</u>	<u>\$ 15,235</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

C. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 12,255	\$	\$	\$	\$ 12,255
Construction in progress	45,015	57,249		(14,329)	87,935
Total capital assets not being depreciated	<u>57,270</u>	<u>57,249</u>	<u>-</u>	<u>(14,329)</u>	<u>100,190</u>
Capital assets being depreciated:					
Buildings	34,961				34,961
Building improvements	59,835				59,835
Machinery and equipment	15,553	1,826			17,379
Vehicles	13,866	1,860	599	238	15,365
Infrastructure	205,656		2,900	14,091	216,847
Total capital assets being depreciated	<u>329,871</u>	<u>3,686</u>	<u>3,499</u>	<u>14,329</u>	<u>344,387</u>
Less accumulated depreciation for:					
Buildings	19,372	559			19,931
Building improvements	12,470	1,478			13,948
Machinery and equipment	7,382	1,292			8,674
Vehicles	6,481	833	571		6,743
Infrastructure	73,351	3,510	2,226		74,635
Total accumulated depreciation	<u>119,056</u>	<u>7,672</u>	<u>2,797</u>	<u>-</u>	<u>123,931</u>
Total capital assets being depreciated, net	<u>210,815</u>	<u>(3,986)</u>	<u>702</u>	<u>14,329</u>	<u>220,456</u>
Governmental Activities Capital Assets, Net	<u>\$ 268,085</u>	<u>\$ 53,263</u>	<u>\$ 702</u>	<u>\$ -</u>	<u>\$ 320,646</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental Activities:	
General government	\$ 950
Public safety	683
Public works	4,115
Health and social services	235
Library	47
Education	<u>1,642</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 7,672</u>

**TOWN OF ENFIELD, CONNECTICUT
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(In Thousands)

Construction Commitments

The government has active construction projects as of June 30, 2016. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Road Improvement Program	\$ 49,484
WPC Facility Upgrades	36,000
High School Expansion and Renovation	<u>21,472</u>
	<u>\$ 106,956</u>

The commitments are being financed with bond anticipation notes and state and federal grants.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 400
General Fund	Water Pollution Control	2,735
General Fund	Nonmajor Governmental Funds	208
General Fund	Internal Service Funds	767
Internal Service Funds	General Fund	1,271
Capital Nonrecurring Fund	General Fund	60
Capital Nonrecurring Fund	Internal Service Funds	<u>285</u>
		<u>\$ 5,726</u>

All balances are expected to be repaid within a year.

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The General Fund advanced the Water Pollution Control Fund \$2,492. The advances among funds relate to working capital loans. None of the balance is scheduled to be collected in the subsequent year.

Interfund transfers are generally used to supplement revenues of other funds. The transfers that occurred during the year are as follows:

Transfers In					
	<u>General Fund</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers out:					
General Fund	\$	\$	\$ 3,192	\$ 59	\$ 3,251
Water Pollution	391				391
Capital Nonrecurring		500			500
Total Transfers In	<u>\$ 391</u>	<u>\$ 500</u>	<u>\$ 3,192</u>	<u>\$ 59</u>	<u>\$ 4,142</u>

E. Long-Term Debt

Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 41,590	\$ 30,770	\$ 13,850	\$ 58,510	\$ 3,970
Bond premiums	1,382	2,493	230	3,645	230
Total bonds payable	<u>42,972</u>	<u>33,263</u>	<u>14,080</u>	<u>62,155</u>	<u>4,200</u>
Compensated absences	7,163	126	229	7,060	1,172
Landfill closure cost	195		15	180	15
Claims payable	691	51	70	672	45
Capital lease	2,922	206	1,626	1,502	886
Net pension liability	8,205	10,225		18,430	
Net OPEB obligation	<u>2,210</u>	<u>989</u>		<u>3,199</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 64,358</u>	<u>\$ 44,860</u>	<u>\$ 16,020</u>	<u>\$ 93,198</u>	<u>\$ 6,318</u>

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

General Obligation Bonds

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

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2016</u>
General purpose:						
Refunding	8/12/09	7/1/18	2.0-4.0 %	4,392	Various	\$ 1,499
Road reconstruction	8/5/14	8/1/34	2.25-4.0	25,000	Various	25,000
Refunding	7/15/15	7/15/28	2.0-5.0	10,770	Various	9,985
Road reconstruction	7/30/15	7/30/35	3.0-5.0	10,000	Various	10,000
Total general purpose				<u>50,162</u>		<u>46,484</u>
School:						
Refunding	8/12/09	7/1/18	2.0-4.0	6,003	Various	2,026
School construction	7/30/15	7/30/35	3.0-5.0	10,000	Various	10,000
Total school				<u>16,003</u>		<u>12,026</u>
Total Outstanding				<u>\$ 66,165</u>		<u>\$ 58,510</u>

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

	<u>Principal</u>	<u>Interest</u>
2017	\$ 3,970	\$ 2,511
2018	4,190	1,988
2019	3,335	1,825
2020	3,315	1,696
2021	3,295	1,573
2022-2026	16,555	5,699
2027-2031	13,590	2,823
2032-2035	<u>10,260</u>	<u>798</u>
	<u>\$ 58,510</u>	<u>\$ 18,913</u>

General Obligation Bonds - Advance Refunding

On July 15, 2015, the Town issued \$10,770 of general obligation refunding bonds with interest rates ranging from 2% to 5% to currently refund the outstanding principal amounts of \$11,100 General Obligation Bonds, Issue of 2008, dated June 15, 2008.

**TOWN OF ENFIELD, CONNECTICUT
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The net proceeds of \$11,992 (including a premium of \$1,222 and issuance costs of \$125, including underwriter's fees) will reduce total debt service payments over the next 12 years by approximately \$226 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$2,175. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue which were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$10,569 at June 30, 2016. The outstanding balance of the defeased bonds as of June 30, 2016, is \$9,985.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2016 is \$98,500. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Legal Debt Limit

The Town is subject to the General Statutes of Connecticut, which limits the amount of debt outstanding at June 30, 2016 to the following:

<u>Category</u>	<u>Debt Limitation</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 221,364	\$ 100,086	\$ 121,278
Schools	442,728	27,026	415,702
Sewers	368,940	36,000	332,940
Urban renewal	319,748		319,748
Pension deficit	295,152		295,152

Total debt outstanding may not exceed seven times annual receipts from taxation (\$688,688).

Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 19 years after closure. The liability for the landfill post-closure care, aggregating \$180, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2016. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

Capital Leases

The town leases various computer and telephone equipment, ambulance, radio frequency towers and trucks. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of lease terms) and, therefore, are recorded at the present value of the future minimum lease payments as of the date of their inception.

	Governmental Activities
Asset:	
Vehicles and equipment	\$ 10,600
Less: accumulated depreciation	<u>4,134</u>
Total	<u>\$ 6,466</u>

The following is a schedule of future minimum lease payments under this capital lease and the present value of the net minimum lease payments at June 30, 2016:

Fiscal Year Ending June 30,	Governmental Activities
2017	\$ 926
2018	300
2019	133
2020	70
2021	50
Thereafter	<u>102</u>
Total lease payments	1,581
Less amount representing interest	<u>79</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,502</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

F. Short-Term Debt

The following is a summary of bond anticipation note activity for the year ended **June 30, 2016**:

<u>Project</u>	<u>Issue Date</u>	<u>Due Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Outstanding June 30, 2016</u>
High School Expansion and Renovation Project	8/12/2014	8/11/2015	\$ 10,000	1.00%	\$ 10,000	\$	\$ 10,000	\$ -
High School Expansion and Renovation Project	5/19/2015	8/11/2015	10,000	1.00%	10,000		10,000	-
2014 Road Improvement Program	8/11/2015	8/10/2016	<u>10,000</u>	2.00%	<u> </u>	<u>10,000</u>	<u> </u>	<u>10,000</u>
			<u>\$ 30,000</u>		<u>\$ 20,000</u>	<u>\$ 10,000</u>	<u>\$ 20,000</u>	<u>\$ 10,000</u>

G. Fund Balance

The components of fund balance for the governmental funds at June 30, 2016 are as follows:

	<u>General Fund</u>	<u>Water Pollution Control</u>	<u>Bonded Projects</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	76	\$ 76
Advances	2,492					2,492
Prepaid expenses	1,029					1,029
Permanent fund principal					37	37
Restricted for:						
Grants					804	804
Committed:						
General government grants	137					137
School miscellaneous	1,069					1,069
Revaluation	134					134
Emergency fuel bank	5					5
Elderly relief	98					98
Recreation	202					202
Police outside services	244					244
Dog fund					6	6
Open space acquisition					609	609
Community development					331	331
Public library					269	269
Town memorial					91	91
Scholarship					283	283
Macioek post ambulance					231	231
Library trust					26	26
Capital improvements				4,105		4,105
Assigned:						
Subsequent year's budget	2,986					2,986
General government - encumbrances	5					5
Public safety - encumbrances	20					20
Public works - encumbrances	47					47
Library - encumbrances	17					17
Education - encumbrances	35					35
Unassigned	<u>18,070</u>	<u>(3,282)</u>	<u>(13,026)</u>	<u> </u>	<u> </u>	<u>1,762</u>
Total Fund Balances	<u>\$ 26,590</u>	<u>\$ (3,282)</u>	<u>\$ (13,026)</u>	<u>\$ 4,105</u>	<u>\$ 2,763</u>	<u>\$ 17,150</u>

**TOWN OF ENFIELD, CONNECTICUT
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(In Thousands)

Encumbrances of \$124 at June 30, 2016 are contained in the above table in the assigned category of the General Fund.

4. EMPLOYEE RETIREMENT PLAN

A. Pension Trust Fund

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

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

Plan Description and Benefits Provided

Employee's Pension Plan

The Town of Enfield Pension Plan covers all employees working more than nineteen hours a week and for more than five months per calendar year except teachers covered and the State of Connecticut Teachers' Retirement System and Police.

Police Pension Plan

The Town of Enfield Police Pension Plan covers employees in the Police Department working more than thirty-five hours a week and for more than five months per calendar year.

Benefit Provisions

Employee's Pension Plan

The Town provides all retirement benefits through a single-employer, contributory defined benefit plan. All employees are 100% vested after five years of continuous service. Employees who retire at normal retirement at age 65 receive a retirement benefit.

Police Pension Plan

The Town provides all retirement benefits through a single-employer, contributory defined benefit plan. All employees are 100% vested after ten years of continuous service. Employees who retire at normal retirement at age of the latter of age 50 or 20 years of service receive a retirement benefit.

**TOWN OF ENFIELD, CONNECTICUT
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(In Thousands)

At July 1, 2015, Plan membership consisted of the following (amounts not rounded):

	<u>Employee's Pension Plan</u>	<u>Police Pension Plan</u>
Retirees and beneficiaries currently receiving benefits	263	59
Terminated plan members entitled to benefits but not yet receiving them and inactive with vested benefits	185	27
Active plan members	<u>514</u>	<u>84</u>
	<u>962</u>	<u>170</u>

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Funding Policy

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

Investments

Investment Policy

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

Concentrations

The pension plans held the following investments representing 5% or more of the pension trust fund's fiduciary net position as of June 30, 2016:

Private Placement Fund	\$	6,021
Guaranteed Deposit Account		21,698

**TOWN OF ENFIELD, CONNECTICUT
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(In Thousands)

Rate of Return

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments for the Employee's and Police Pension Plans, net of pension plan investment expense, were 2.2% and 1.8%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The Police Pension Plan offers a Deferred Retirement Option Program (DROP) to its bargaining unit employees employed on or after July 1, 2011. The DROP is intended to provide an alternative retirement option to police employees who are eligible to retire. An employee is considered eligible if they are a full-time employee and must have completed less than 35.25 years of service. During the DROP period, pension payments will be made depending on the DROP factor based on the age of the employee. Amounts held by the Police Pension Plan DROP investments at June 30, 2016 were \$1,168.

Net Pension Liability of the Town

The net pension liability of the Employee's and Police Pension Plans at June 30, 2016 were as follows:

	<u>Employee's Pension Plan</u>	<u>Police Pension Plan</u>
Total pension liability	\$ 70,685	\$ 65,584
Plan fiduciary net position	<u>63,254</u>	<u>54,585</u>
Net Pension Liability	<u>\$ 7,431</u>	<u>\$ 10,999</u>
Plan fiduciary net position as a percentage of the total pension liability	89.49%	83.23%

Actuarial Assumptions

The total pension liability for the Employee's and Police Pension Plans were determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Police Pension Plan - Mortality rates were based on the RP-2014 (Adjusted to 2006) Blue Collar Mortality with Scale MP-2015 for Males or Females, as appropriate.

**TOWN OF ENFIELD, CONNECTICUT
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(In Thousands)

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, 2016 (see the discussion of the pension plan's investment policy) are summarized in the following table along with the Board's adopted asset allocation policy:

	Target Allocation	Long-Term Expected Rate of Return
Large Cap Equity	30%	8.00%
Small Cap Equity	7%	8.75%
International Equity	13%	7.50%
Fixed Income	10%	5.00%
Long Duration Bond	8%	5.75%
Real Estate	5%	6.75%
Stable Value	27%	4.60%
	<u>100%</u>	

Discount Rate

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employee's Net Pension (Asset) Liability	\$ 15,090	\$ 7,431	\$ (312)
Police Plan Net Pension (Asset) Liability	17,998	10,999	2,092

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

Changes in the Net Pension Liability

	Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2015	\$ 66,143	\$ 61,973	\$ 4,170
Changes for the year:			
Service cost	2,073		2,073
Interest on total pension liability	4,513		4,513
Differences between expected and actual experience including assumption changes	842		842
Employer contributions		2,099	(2,099)
Member contributions		784	(784)
Net investment income		1,377	(1,377)
Benefit payments, including refund to employee contributions	(2,886)	(2,886)	-
Administrative expenses		(93)	93
Net changes	<u>4,542</u>	<u>1,281</u>	<u>3,261</u>
Balances as of June 30, 2016	\$ <u>70,685</u>	\$ <u>63,254</u>	\$ <u>7,431</u>

Amounts reported as changes of assumptions resulted primarily from adjusting the salary scale from 4.25% to 4.25% for the first five years and 4% thereafter.

	Police Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of June 30, 2015	\$ 57,978	\$ 53,943	\$ 4,035
Changes for the year:			
Service cost	1,020		1,020
Interest on total pension liability	3,952		3,952
Differences between expected and actual experience	5,328		5,328
Employer contributions		1,966	(1,966)
Member contributions		476	(476)
Net investment income		970	(970)
Benefit payments, including refund to employee contributions	(2,694)	(2,694)	-
Administrative expenses		(76)	76
Net changes	<u>7,606</u>	<u>642</u>	<u>6,964</u>
Balances as of June 30, 2016	\$ <u>65,584</u>	\$ <u>54,585</u>	\$ <u>10,999</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

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

For the year ended June 30, 2016, the Town recognized pension expense of \$7,610 and \$15,481 for the Employees' Pension Plan and Police Pension Plan, respectively. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Employees' Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,334	\$
Changes of assumptions		1,672
Net difference between projected and actual earning on pension plan investments	<u>2,454</u>	<u>4,056</u>
Total	<u>\$ 3,788</u>	<u>\$ 5,728</u>

	Police Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 481	\$ 2,666
Changes of assumptions		2,990
Net difference between projected and actual earning on pension plan investments	<u>2,089</u>	<u>3,709</u>
Total	<u>\$ 2,570</u>	<u>\$ 9,365</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>Employees' Pension Plan</u>	<u>Police Pension Plan</u>
2017	\$ (97)	(1,093)
2018	(97)	(1,093)
2019	(97)	(1,092)
2020	(916)	(1,789)
2021	(726)	(1,567)
Thereafter	(8)	(162)

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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(In Thousands)

B. Teachers Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

Employees

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

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

At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>108,513</u>
Total	\$	<u><u>108,513</u></u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of \$8,695 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.50%. 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 State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Other Information

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

5. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

At July 1, 2015, plan membership consisted of the following (amounts not rounded):

Retired members and spouses of retired members	246
Active plan members	<u>884</u>
Total	<u><u>1,130</u></u>

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligations

The Town of Enfield's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Annual required contribution (ARC)	\$	2,356
Interest on net OPEB obligation		166
Adjustment to annual required contribution		<u>(146)</u>
Annual OPEB Cost		2,376
Contributions made		<u>1,387</u>
Change in net OPEB obligation		989
Net OPEB obligation at beginning of year		<u>2,210</u>
Net OPEB Obligation at End of Year	\$	<u><u>3,199</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three fiscal years ended June 30, 2016 is presented below.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB (Asset) Obligation</u>
6/30/2014	\$ 2,037	\$ 1,266	62.2%	\$ 1,344
6/30/2015	2,269	1,403	61.8%	2,210
6/30/2016	2,376	1,387	58.4%	3,199

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

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) Entry Age (b)</u>	<u>(Unfunded) AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
7/1/2011	\$ 3,076	\$ 21,500	\$ (18,424)	14%	\$ N/A	N/A
7/1/2013	3,530	24,916	(21,386)	14%	58,329	36.7%
7/1/2015	4,294	33,082	(28,788)	13%	74,684	38.5%

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

Schedule of Employer Contributions			
Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/2014	\$ 2,029	\$ 1,266	62%
6/30/2015	2,261	1,403	62%
6/30/2016	2,356	1,387	59%

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

In the July 1, 2015 actuarial valuation, the actuarial assumptions are as follows:

Interest rate	5.00%
Inflation rate	2.70%
Amortization method	Level Percent Closed
Actuarial cost method	Projected Unit Credit
Remaining amortization period	24.79
Annual payroll increase	4.00%

6. COMBINING SCHEDULE OF PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Combining Schedule of Plan Net Position:

	Employee's Pension Plan	Police Pension Plan	OPEB Trust Fund	Total
Assets:				
Cash	\$	\$	\$ 192	\$ 192
Investments:				
Stocks			2,381	2,381
Fixed income			883	883
Mutual funds			819	819
Pooled separate accounts	50,437	39,843		90,280
Deferred retirement option program		1,169		1,169
Guaranteed deposit	9,123	10,432		19,555
Real estate funds	3,694	3,141		6,835
Total investments	<u>63,254</u>	<u>54,585</u>	<u>4,275</u>	<u>122,114</u>
Net Position:				
Restricted in Trust for Pension and Other Purposes	<u>\$ 63,254</u>	<u>\$ 54,585</u>	<u>\$ 4,275</u>	<u>\$ 122,114</u>

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

Combining Schedule of Changes in Plan Net Position:

	<u>Employee's Pension Plan</u>	<u>Police Pension Plan</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:				
Contributions:				
Employer contributions	\$ 2,099	\$ 1,966	\$ 1,387	\$ 5,452
Employee contributions	784	476		1,260
Total contributions	<u>2,883</u>	<u>2,442</u>	<u>1,387</u>	<u>6,712</u>
Investment income:				
Interest and dividends	1,333	1,142	94	2,569
Net increase (decrease) in fair value of investments	255	(4)	(57)	194
Total investment gain	1,588	1,138	37	2,763
Less investment expenses:				
Investment management fees	211	168		379
Net investment income	<u>1,377</u>	<u>970</u>	<u>37</u>	<u>2,384</u>
Total additions	<u>4,260</u>	<u>3,412</u>	<u>1,424</u>	<u>9,096</u>
Deductions:				
Benefits paid	2,886	2,694	1,387	6,967
Administration expenses	93	76	55	224
Total deductions	<u>2,979</u>	<u>2,770</u>	<u>1,442</u>	<u>7,191</u>
Change in Net Position	1,281	642	(18)	1,905
Net Position at Beginning of Year	<u>61,973</u>	<u>53,943</u>	<u>4,293</u>	<u>120,209</u>
Net Position at End of Year	<u>\$ 63,254</u>	<u>\$ 54,585</u>	<u>\$ 4,275</u>	<u>\$ 122,114</u>

7. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2016.

The Town is a member in the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. Seq. of Connecticut General Statutes, for workers' compensation coverage. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$750,000 (not rounded) for each insured occurrence.

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

**TOWN OF ENFIELD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016**

(In Thousands)

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

	<u>2016</u>	<u>2015</u>
Claims payable, July 1	\$ 1,124	\$ 1,296
Claims incurred and changes in estimates	18,303	18,312
Claim payments	<u>(17,944)</u>	<u>(18,484)</u>
Claims Payable, June 30	<u>\$ 1,483</u>	<u>\$ 1,124</u>

B. Contingent Liabilities

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

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

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

8. SUBSEQUENT EVENTS

On August 10, 2016, the Town issued \$23,500 of bond anticipation notes maturing on August 9, 2017. The bond anticipation note carries an interest rate of 2%.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Property Taxes:				
Real estate	\$ 70,853	\$ 70,853	\$ 70,536	\$ (317)
Motor vehicle	8,110	8,110	7,885	(225)
Personal property	5,863	5,863	5,984	121
Prior year levy	300	300	1,324	1,024
Penalties and interest	850	850	798	(52)
Lien fees	10	10	12	2
Tax sale fees			13	13
Suspense list collections	10	10	2	(8)
Telephone access line	80	80	75	(5)
Total property taxes	<u>86,076</u>	<u>86,076</u>	<u>86,629</u>	<u>553</u>
Intergovernmental:				
Hospital - PILOT	27	27	25	(2)
Department of Housing - PILOT	80	80		(80)
Tax loss - state property	1,202	1,202	1,019	(183)
Tax loss - bingo	1	1		(1)
Tax relief - elderly frozen	2	2	2	-
Tax relief - elderly circuit breaker	360	360	346	(14)
Tax relief - disability exemption	5	5	5	-
Mashantucket Pequot Indians	1,435	1,435	1,443	8
Civil preparedness	12	12		(12)
Municipal revenue sharing	257	257	257	
Tax relief - veterans additional	40	40	39	(1)
Town aid road grant	536	536	535	(1)
Education cost sharing	28,974	28,974	29,212	238
School transportation	483	483	462	(21)
Health services private schools	60	60	31	(29)
Miscellaneous federal grants			6	6
Miscellaneous state grants	11	17	50	33
Total intergovernmental	<u>33,485</u>	<u>33,491</u>	<u>33,432</u>	<u>(59)</u>
Charges For Services:				
Recording legal documents	150	150	201	51
Conveyance tax	250	250	368	118
Vital statistics	40	40	47	7
Planning and zoning fees	40	40	24	(16)
Zoning board of appeal fees	1	1		(1)
Miscellaneous clerk fees	40	40	38	(2)
Photocopy charges	6	6	10	4
Fire district tax collection	300	300	348	48
Communication center	175	175	142	(33)
Accident reports	4	4	7	3

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**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Environment recycling programs	\$ 94	\$ 94	\$ 121	\$ 27
Bulky waste fees	200	200	178	(22)
Medicaid school based health	125	125	111	(14)
Other charges	2	2	1	(1)
Building and mechanical	540	540	648	108
Pistol permits	14	14	35	21
Vendor permits	1	1	1	
Amusements	1	1		(1)
Dog licenses	5	5	5	-
Hunting and fishing	1	1		(1)
Marriage licenses	2	2	2	-
Sewer permits	2	2		(2)
Dump permits	11	11	19	8
Parking fines	7	7	2	(5)
Library fines	12	12	10	(2)
Alarm fines	20	20	7	(13)
Blight ordinance fines	2	2		(2)
Snow removal fines	1	1	2	1
Rental - Town owned property	40	40	72	32
Probate court space rental	12	12		(12)
Sale - cash	200	200	166	(34)
Sale - leaf bags	7	7	3	(4)
Insurance claims and refunds	150	150	152	2
Vehicle insurance reimbursement	45	45	39	(6)
Miscellaneous	130	130	36	(94)
Total charges for services	<u>2,630</u>	<u>2,630</u>	<u>2,795</u>	<u>165</u>
Interest:				
Interest on investments	<u>110</u>	<u>110</u>	<u>244</u>	<u>134</u>
Other Financing Sources:				
Premium on Bond Issue		84		(84)
Transfers in	411	411	391	(20)
Use of fund balance	<u>2,000</u>	<u>2,202</u>		<u>(2,202)</u>
Total other financing sources	<u>2,411</u>	<u>2,697</u>	<u>391</u>	<u>(2,306)</u>

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**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Total	\$ <u>124,712</u>	\$ <u>125,004</u>	\$ 123,491	\$ <u>(1,513)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted			8,695	
Capital lease issuance				
Excess cost grant revenue is budgeted as a credit to education expenditures			1,107	
Premium on bond issuance			1,139	
Out of district tuition is budgeted as a credit to education expenditures				
Funds consolidated for GASB 54 purposes			<u>7,311</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 141,743</u>	

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Government:				
Town council	\$ 76	\$ 76	\$ 64	\$ 12
Town manager	456	468	455	13
Public Communication	117	117	98	19
Data processing and MIS	2,027	2,229	2,229	
Town attorney	421	453	446	7
Probate court	38	38	25	13
Election/voter registration	136	136	126	10
Town clerk	483	485	462	23
Records manager	76	78	77	1
Personnel office	445	445	411	34
Finance administration	208	226	221	5
Treasury	390	372	318	54
Assessment and revenue collection	590	590	573	17
General services	146	146	146	
Board of assessment appeals	5	5	4	1
Enfield revitalization committee	2	2	1	1
Cultural arts	9	9	9	
Ethics committee	1	1		1
Keep Enfield beautiful	9	9	15	(6)
Historic district commission	3	3	2	1
Loan review committee	1	1		1
Economic development commission	5	5	5	
Land use commission	42	37	21	16
Community response team	7	7		7
Total general government	<u>5,693</u>	<u>5,938</u>	<u>5,708</u>	<u>230</u>
Public Safety:				
Police services	12,057	11,709	11,519	190
School security	154	154	122	32
Public safety communications	1,373	1,424	1,284	140
Emergency management	7	7	1	6
Total public safety	<u>13,591</u>	<u>13,294</u>	<u>12,926</u>	<u>368</u>
Public Works:				
Public works administration	706	706	690	16
Maintenance/buildings and grounds	5,779	5,594	5,357	237
Custodial maintenance	4,507	4,507	4,425	82
Highway and sanitation supervision	1,991	2,012	1,885	127
Equipment maintenance and repair	1,307	1,327	1,246	81
Refuse collection	3,296	3,296	3,215	81
Total public works	<u>17,586</u>	<u>17,442</u>	<u>16,818</u>	<u>624</u>

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**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Library:				
Public library	\$ 1,704	\$ 1,704	\$ 1,660	\$ 44
E-TV				
Total library	<u>1,704</u>	<u>1,704</u>	<u>1,660</u>	<u>44</u>
Planning and Development:				
Town planner	297	344	326	18
Building inspection	502	498	483	15
Community development	213	193	141	52
Economic development	198	183	140	43
Code enforcement	107	95	82	13
Thompsonville Revitalization	197	197	193	4
Total planning and development	<u>1,514</u>	<u>1,510</u>	<u>1,365</u>	<u>145</u>
Intergovernmental and Interagency:				
Capital region council of governments	32	32	32	-
Capital region growth council	9	9	9	-
Enfield cemetery association	36	36	36	-
Enfield historical society	16	16	16	-
Connecticut conference of municipalities	32	32	32	-
National league of cities	4	4	4	-
Enfield veteran's council	45	45	45	-
District fire marshal fees	1	1	1	1
North central health district	209	209	209	-
Clean energy committee	1	1	1	-
Celebrations and special events	62	66	66	-
High school safe graduation	1	1	1	1
Greater Hartford transit district	6	6	6	-
Scantic River Watershed	4	4	4	-
Housing education resource	4	4	4	-
Connecticut river assembly	1	1	1	1
Athletic hall of fame	1	1	1	-
Total intergovernmental and interagency	<u>460</u>	<u>468</u>	<u>465</u>	<u>3</u>
Board of Education	<u>65,884</u>	<u>65,884</u>	<u>65,884</u>	<u>-</u>

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**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Nondepartmental:				
Insurance and bond charges	\$ 707	\$ 695	\$ 684	\$ 11
Employee benefit	3,219	3,922	3,918	4
Miscellaneous charges	<u>2,222</u>	<u>1,772</u>	<u>1,755</u>	<u>17</u>
Total nondepartmental	<u>6,148</u>	<u>6,389</u>	<u>6,357</u>	<u>32</u>
Debt Service	<u>5,664</u>	<u>5,760</u>	<u>5,760</u>	
Transfer Out	<u>6,468</u>	<u>6,615</u>	<u>6,610</u>	<u>5</u>
Total	<u>\$ 124,712</u>	<u>\$ 125,004</u>	123,553	<u>\$ 1,451</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted

8,695

Encumbrances for purchases and commitments ordered but not received are reported
in the year the order is placed for budgetary purposes, but in the year received for
financial reporting purposes

(92)

Transfers out eliminated for GASB 54 purposes

(3,435)

Excess cost grant revenue is budgeted as a credit to education expenditures

1,107

Out of district tuition is budgeted as a credit to education expenditures

76

Funds consolidated for GASB 54 purposes

11,051

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

\$ 140,955

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEE'S PENSION PLAN
LAST THREE FISCAL YEARS

(In Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total pension liability:			
Service cost	\$ 1,971	\$ 2,064	\$ 2,073
Interest	4,227	4,457	4,513
Differences between expected and actual experience including assumption changes		(627)	842
Benefit payments, including refunds of member contributions	<u>(2,797)</u>	<u>(2,827)</u>	<u>(2,886)</u>
Net change in total pension liability	3,401	3,067	4,542
Total pension liability - beginning	<u>59,675</u>	<u>63,076</u>	<u>66,143</u>
Total pension liability - ending	<u>63,076</u>	<u>66,143</u>	<u>70,685</u>
Plan fiduciary net position:			
Contributions - employer	2,239	2,128	2,099
Contributions - member	711	778	784
Net investment income	7,808	2,660	1,377
Benefit payments, including refunds of member contributions	(2,797)	(2,827)	(2,886)
Administrative expense	<u>(77)</u>	<u>(96)</u>	<u>(93)</u>
Net change in plan fiduciary net position	7,884	2,643	1,281
Plan fiduciary net position - beginning	<u>51,446</u>	<u>59,330</u>	<u>61,973</u>
Plan fiduciary net position - ending	<u>59,330</u>	<u>61,973</u>	<u>63,254</u>
Net Pension Liability - Ending	\$ <u>3,746</u>	\$ <u>4,170</u>	\$ <u>7,431</u>
Plan fiduciary net position as a percentage of the total pension liability	94.06%	93.70%	89.49%
Covered-employee payroll	\$ 20,611	\$ 21,017	\$ 21,969
Net pension liability as a percentage of covered-employee payroll	18.17%	19.84%	33.82%

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN
LAST THREE FISCAL YEARS

(In Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total pension liability:			
Service cost	\$ 921	\$ 962	\$ 1,020
Interest	3,758	3,910	3,952
Differences between expected and actual experience		(187)	5,328
Benefit payments, including refunds of member contributions	<u>(2,170)</u>	<u>(2,113)</u>	<u>(2,694)</u>
Net change in total pension liability	2,509	2,572	7,606
Total pension liability - beginning	<u>52,897</u>	<u>55,406</u>	<u>57,978</u>
Total pension liability - ending	<u>55,406</u>	<u>57,978</u>	<u>65,584</u>
Plan fiduciary net position:			
Contributions - employer	1,378	1,428	1,966
Contributions - member	443	545	476
Net investment income	6,735	2,368	970
Benefit payments, including refunds of member contributions	(2,170)	(2,113)	(2,694)
Administrative expense	<u>(78)</u>	<u>(86)</u>	<u>(76)</u>
Net change in plan fiduciary net position	6,308	2,142	642
Plan fiduciary net position - beginning	<u>45,493</u>	<u>51,801</u>	<u>53,943</u>
Plan fiduciary net position - ending	<u>51,801</u>	<u>53,943</u>	<u>54,585</u>
Net Pension Liability - Ending	<u>\$ 3,605</u>	<u>\$ 4,035</u>	<u>\$ 10,999</u>
Plan fiduciary net position as a percentage of the total pension liability	93.49%	93.04%	83.23%
Covered-employee payroll	\$ 5,918	\$ 6,263	\$ 6,293
Net pension liability as a percentage of covered-employee payroll	60.92%	64.43%	174.78%

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

(In Thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 1,134	\$ 1,061	\$ 1,171	\$ 1,388	\$ 1,678	\$ 1,699	\$ 2,083	\$ 2,239	\$ 2,128	\$ 2,099
Contributions in relation to the actuarially determined contribution	1,134	1,068	1,171	1,397	1,678	1,699	2,083	2,239	2,128	2,099
Contribution Deficiency (Excess)	\$ -	\$ (7)	\$ -	\$ (9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 19,198	\$ 18,873	\$ 19,921	\$ 19,496	\$ 19,894	\$ 20,851	\$ 20,851	\$ 20,611	\$ 21,017	\$ 21,969
Contributions as a percentage of covered-employee payroll	5.91%	5.66%	5.88%	7.17%	8.43%	8.15%	9.99%	10.86%	10.13%	9.55%

Notes to Schedule

Valuation date: July 1, 2015
Measurement date: June 30, 2016
Actuarially determined contribution rates are calculated as of June 30, two years 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
Amortization method	Changes in assumptions and differences between assumptions and actual experience are recognized over the average remaining years of employment of employees. Differences between expected earnings on plan investments and actual investment earning are recognized over a five year period. Changes in benefit terms are recognized immediately.
Asset valuation method	Valued at contract value with a market value adjustment factor for the Guaranteed Deposit Account Assets and at market value for Separate accounts, which is considered the best representation of Fair value. The market value of Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year.
Inflation	3.50%
Salary increases	4.25% for the first five years and 3% thereafter
Investment rate of return	7.00%, net of investment and contract fees, including inflation
Termination	Prudential Term Scale D
Survivor's benefit	It is assumed husbands are 3 years older than wives and that 80% of the male participants and 60% of the female participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.
Disability	The 1987 Commissioner's Group Disability with a six month elimination period was used.
Retirement age	Age 62 is assumed retired at 25% and age 65 at 100%. Participants at or beyond age 65 are assumed to
Mortality	The RP2014 Total Dataset Mortality without any improvement scale.

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN
LAST TEN FISCAL YEARS

(In Thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 556	\$ 548	\$ 785	\$ 1,075	\$ 1,218	\$ 1,216	\$ 1,239	\$ 1,378	\$ 1,427	\$ 1,966
Contributions in relation to the actuarially determined contribution	556	551	785	1,082	1,218	1,216	1,239	1,378	1,427	1,966
Contribution Deficiency (Excess)	\$ -	\$ (3)	\$ -	\$ (7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 5,456	\$ 6,008	\$ 5,920	\$ 6,226	\$ 6,636	\$ 6,381	\$ 6,381	\$ 5,918	\$ 6,263	\$ 6,293
Contributions as a percentage of covered-employee payroll	10.19%	9.17%	13.26%	17.38%	18.35%	19.06%	19.42%	23.28%	22.78%	31.24%

Notes to Schedule

Valuation date: July 1, 2015

Measurement date: June 30, 2016

Actuarially determined contribution rates are calculated as of June 30, two years 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

Amortization method

Changes in assumptions and differences between assumptions and actual experience are recognized over the average remaining years of employment of employees. Differences between expected earnings on plan investments and actual investment earnings are recognized over a five year period. Changes in benefit terms are recognized immediately.

Asset valuation method

Valued at contract value with a market value adjustment factor for the Guaranteed Deposit Account Assets and at market value for Separate accounts, which is considered the best representation of Fair value. The market value of Guaranteed Deposit Account is an estimate only and not the result of the precise calculation which would be done at contract discontinuance or to measure the impact of excess withdrawals in any calendar year.

Inflation

4.00%

Salary increases

4.25% for the first five years, then 3.00% thereafter.

Investment rate of return

7.00% per annum, compounded annually, net of investment and contract fees.

Estimated expenses

\$50

Termination

Prudential Term Scale D

Survivor's benefit

It is assumed husbands are 3 years older than wives and that 80% of the male participants and 60% of the female participants who are or will become eligible for coverage under the Survivor's Benefit will be survived by an eligible survivor.

Disability

The 1987 Commissioner's Group Disability with a six month elimination period was used.

Retirement age

Age of 55 and the completion of 20 years of service. Participants at or beyond this age and service are assumed to retire immediately.

Mortality

The RP-2014 (adjusted to 2006) Blue Collar Mortality with Scale MP-2015.

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST THREE FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense:			
Employee's Pension Plan	15.2%	4.5%	2.2%
Police Pension Plan	14.9%	4.6%	1.8%

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TWO FISCAL YEARS

(In Thousands)

	<u>2015</u>	<u>2016</u>
Town's proportion of the net pension liability	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>100,299</u>	<u>108,513</u>
Total	<u>\$ 100,299</u>	<u>\$ 108,513</u>
Town's covered-employee payroll	\$ 37,326	\$ 34,801
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

GENERAL FUND

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

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

General Government Grants - To account for general government grants

Schools Miscellaneous - To account for fees and local funding for rental of school facilities, drivers education, non-grant portion of adult education and retiree insurance co-pays

Emergency Medical Services - To account for fees and services for emergency medical aid and transportation

Revaluation - To account for funding of ten year revaluation

Social Services - To account for the operations of the social service divisions

Emergency Fuel Bank - To account for fuel for needy families

Elderly Relief - To account for funding for elderly programs

Recreation - To account for funding for recreational programs

Police Outside Services - To account for police special duty services

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2016**

(In Thousands)

	<u>General</u>	<u>General Government Grants</u>	<u>School Miscellaneous</u>	<u>Emergency Medical Services</u>	<u>Revaluation</u>	<u>Social Services</u>
ASSETS						
Cash and cash equivalents	\$ 14,228	\$ 136	\$ 357	\$	\$ 161	\$ 83
Investments	8,706		712			
Receivables, net	8,974			1,897		214
Due from other funds	5,340	1				
Advances to other funds	2,492					
Prepaid items	1,024					
Total Assets	<u>\$ 40,764</u>	<u>\$ 137</u>	<u>\$ 1,069</u>	<u>\$ 1,897</u>	<u>\$ 161</u>	<u>\$ 297</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,997			\$ 176	\$ 27	\$ 229
Due to other funds	1,435			774		456
Unearned revenue						4
Total liabilities	<u>4,432</u>			<u>950</u>	<u>27</u>	<u>689</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	8,508					
Unavailable revenue - EMS receivable				1,615		
Unavailable revenue - grants receivable						58
Advance property tax collections	2,010					
Total deferred inflows of resources	<u>10,518</u>	<u>-</u>	<u>-</u>	<u>1,615</u>	<u>-</u>	<u>58</u>
Fund Balances:						
Nonspendable	3,516					
Committed		137	1,069		134	
Assigned	3,110					
Unassigned	19,188			(668)		(450)
Total fund balances	<u>25,814</u>	<u>137</u>	<u>1,069</u>	<u>(668)</u>	<u>134</u>	<u>(450)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 40,764</u>	<u>\$ 137</u>	<u>\$ 1,069</u>	<u>\$ 1,897</u>	<u>\$ 161</u>	<u>\$ 297</u>

(Continued on next page)

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2016**

(In Thousands)

	<u>Emergency Fuel Bank</u>	<u>Elderly Relief</u>	<u>Recreation</u>	<u>Police Outside Services</u>	<u>Interfund Eliminations</u>	<u>Total General Fund</u>
ASSETS						
Cash and cash equivalents	\$	\$	\$ 302	\$ 207	\$	\$ 15,474
Investments						9,418
Receivables, net				47		11,132
Due from other funds	5	98			(1,334)	4,110
Advances to other funds						2,492
Prepaid items			5			1,029
Total Assets	<u>\$ 5</u>	<u>\$ 98</u>	<u>\$ 307</u>	<u>\$ 254</u>	<u>\$ (1,334)</u>	<u>\$ 43,655</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$	\$	\$ 27	\$ 10	\$	\$ 3,466
Due to other funds					(1,334)	1,331
Unearned revenue			73			77
Total liabilities	<u>-</u>	<u>-</u>	<u>100</u>	<u>10</u>	<u>(1,334)</u>	<u>4,874</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes						8,508
Unavailable revenue - EMS receivable						1,615
Unavailable revenue - grants receivable						58
Advance property tax collections						2,010
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,191</u>
Fund Balances:						
Nonspendable			5			3,521
Committed	5	98	202	244		1,889
Assigned						3,110
Unassigned						18,070
Total fund balances	<u>5</u>	<u>98</u>	<u>207</u>	<u>244</u>	<u>-</u>	<u>26,590</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5</u>	<u>\$ 98</u>	<u>\$ 307</u>	<u>\$ 254</u>	<u>\$ (1,334)</u>	<u>\$ 43,655</u>

**TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

(In Thousands)

	General	General Government Grants	School Miscellaneous	Emergency Medical Services	Revaluation	Social Services
Revenues:						
Property taxes	\$ 86,628	\$	\$	\$	\$	\$
Intergovernmental	43,345					1,956
Charges for services	2,685	18	332	2,382		1,580
Contributions				3		213
Investment income	244		(14)			
Total revenues	<u>132,902</u>	<u>18</u>	<u>318</u>	<u>2,385</u>	<u>-</u>	<u>3,749</u>
Expenditures:						
Current:						
General government	5,703	8			95	
Public safety services	12,907					
Public works	16,772					
Health and social services				3,195		6,378
Library	1,653					
Planning and development	1,388					
Intergovernmental and interagency	464					
Education	75,651		345			
Non-departmental	6,355					
Debt service	5,760					
Total expenditures	<u>126,653</u>	<u>8</u>	<u>345</u>	<u>3,195</u>	<u>95</u>	<u>6,378</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,249</u>	<u>10</u>	<u>(27)</u>	<u>(810)</u>	<u>(95)</u>	<u>(2,629)</u>
Other Financing Sources (Uses):						
Premium on bond issuance	1,139					
Transfers in	391			783	61	2,521
Transfers out	(6,611)					
Net other financing sources (uses)	<u>(5,081)</u>	<u>-</u>	<u>-</u>	<u>783</u>	<u>61</u>	<u>2,521</u>
Net Change in Fund Balances	1,168	10	(27)	(27)	(34)	(108)
Fund Balances at Beginning of Year	<u>24,646</u>	<u>127</u>	<u>1,096</u>	<u>(641)</u>	<u>168</u>	<u>(342)</u>
Fund Balances at End of Year	<u>\$ 25,814</u>	<u>\$ 137</u>	<u>\$ 1,069</u>	<u>\$ (668)</u>	<u>\$ 134</u>	<u>\$ (450)</u>

(Continued on next page)

TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

(In Thousands)

	<u>Emergency Fuel Bank</u>	<u>Elderly Relief</u>	<u>Recreation</u>	<u>Police Outside Services</u>	<u>Interfund Eliminations</u>	<u>Total General Fund</u>
Revenues:						
Property taxes	\$	\$	\$	\$	\$	\$ 86,628
Intergovernmental						45,301
Charges for services			189	652		7,838
Contributions						216
Investment income						230
Total revenues	<u>-</u>	<u>-</u>	<u>189</u>	<u>652</u>	<u>-</u>	<u>140,213</u>
Expenditures:						
Current:						
General government			486			6,292
Public safety services				544		13,451
Public works						16,772
Health and social services						9,573
Library						1,653
Planning and development						1,388
Intergovernmental and interagency						464
Education						75,996
Non-departmental						6,355
Debt service						5,760
Total expenditures	<u>-</u>	<u>-</u>	<u>486</u>	<u>544</u>	<u>-</u>	<u>137,704</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(297)</u>	<u>108</u>	<u>-</u>	<u>2,509</u>
Other Financing Sources (Uses):						
Premium on bond issuance						1,139
Transfers in			70		(3,435)	391
Transfers out				(75)	3,435	(3,251)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>70</u>	<u>(75)</u>	<u>-</u>	<u>(1,721)</u>
Net Change in Fund Balances	-	-	(227)	33	-	788
Fund Balances at Beginning of Year	<u>5</u>	<u>98</u>	<u>434</u>	<u>211</u>	<u>-</u>	<u>25,802</u>
Fund Balances at End of Year	<u>\$ 5</u>	<u>\$ 98</u>	<u>\$ 207</u>	<u>\$ 244</u>	<u>\$ -</u>	<u>\$ 26,590</u>

TOWN OF ENFIELD, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2016

(In Thousands)

Grand List Year	Uncollected Taxes July 01, 2015	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2016	
		Additions	Deductions			Taxes	Suspense Collections	Interest and Lien Fees		Total
Town Taxes:										
2014	\$ 86,342	\$ 138	\$ 355	\$	\$ 86,125	\$ 84,487	\$	\$ 321	\$ 84,808	\$ 1,638
2013	1,666	97	66		1,697	977		210	1,187	720
2012	682	35	18		699	280		98	378	419
2011	374	-	4		370	103		61	164	267
2010	267		4		263	54		41	95	209
2009	256		3		253	18		15	33	235
2008	226		3		223	11		8	19	212
2007	261		3		258	4		5	9	254
2006	235		4		231	2		9	11	229
2005	344		5		339	5		9	14	334
2004	382		5		377	5		12	17	372
2003	249		5		244	2		4	6	242
2002	44	1	4		41	3		7	10	38
2001	22		4		18	3	1	6	10	15
2000	21		3		18	2	1	5	8	16
1999 & Prior	37		37		-				-	-
Town Tax Total	91,408	271	523	-	91,156	85,956	2	811	86,769	5,200
Fire Taxes:										
2014	11,646	17	81		11,582	11,375		46	11,421	207
2013	184	15	12		187	98		24	122	89
2012	69	5	3		71	23		9	32	48
2011	49				49	11		6	17	38
2010	36				36	5		4	9	31
2009	32		1		31	3		2	5	28
2008	28				28	1		1	2	27
2007	32				32	1		1	2	31
2006	28				28			1	1	28
2005	42				42	1		1	2	41
2004	37		1		36	1		1	2	35
2003	27		1		26				-	26
2002	5				5				-	5
2001	2				2				-	2
2000	2				2				-	2
1999 & Prior	4		4		-				-	-
Fire Tax Total	12,223	37	103		12,157	11,519		96	11,615	638
Total	\$ 103,631	\$ 308	\$ 626	\$ -	\$ 103,313	\$ 97,475	\$ 2	\$ 907	\$ 98,384	\$ 5,838

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS - SOCIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2016

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 2,160	\$ 2,276	\$ 2,014	\$ (262)
Charges for services	1,824	1,834	1,576	(258)
Contributions	132	162	159	(3)
Use of fund balance	40	239		(239)
Total revenues	<u>4,156</u>	<u>4,511</u>	<u>3,749</u>	<u>(762)</u>
Expenditures:				
Current:				
Health and social services	<u>6,677</u>	<u>7,088</u>	<u>6,259</u>	<u>829</u>
Total expenditures	<u>6,677</u>	<u>7,088</u>	<u>6,259</u>	<u>829</u>
Deficiency of Revenues over Expenditures	(2,521)	(2,577)	(2,510)	67
Other Financing Sources:				
Transfers in	<u>2,521</u>	<u>2,521</u>	<u>2,521</u>	<u>-</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>(56)</u>	11	\$ <u>67</u>
Fund Balance at Beginning of Year			<u>(408)</u>	
Fund Balance at End of Year			<u>\$ (397)</u>	
<u>Reconciliation to GAAP Basis</u>				
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>	
Balance, Budgetary Basis - June 30, 2016	\$ 3,749	\$ 6,259	\$ (397)	
Encumbrances outstanding at end of year, charged to budgetary expenditures		(6) 125	6	
Prior year encumbrances charged to budgetary last year			<u>(59)</u>	
Balance, GAAP basis - June 30, 2016	<u>\$ 3,749</u>	<u>\$ 6,378</u>	<u>\$ (450)</u>	

**TOWN OF ENFIELD, CONNECTICUT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - BUDGETARY BASIS - EMERGENCY MEDICAL SERVICES FUND
 FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Charges for services	\$ 2,200	\$ 2,200	\$ 2,382	\$ 182
Contributions			3	3
Total revenues	<u>2,200</u>	<u>2,200</u>	<u>2,385</u>	<u>185</u>
Expenditures:				
Current:				
Health and social services	<u>2,983</u>	<u>2,983</u>	<u>2,949</u>	<u>34</u>
Deficiency of Revenues over Expenditures	<u>(783)</u>	<u>(783)</u>	<u>(564)</u>	<u>219</u>
Other Financing Sources:				
Transfers in	783	783	783	-
Use of fund balance		<u>246</u>		<u>(246)</u>
Total other financing sources	<u>783</u>	<u>1,029</u>	<u>783</u>	<u>(246)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 246</u>	219	<u>\$ (27)</u>
Fund Balance at Beginning of Year			<u>(887)</u>	
Fund Balance at End of Year			<u>\$ (668)</u>	

Reconciliation to GAAP Basis

	<u>Expenditures</u>	<u>Fund Balance</u>
Balance, Budgetary Basis - June 30, 2015	\$ 2,949	\$ (668)
Prior year encumbrances charged to budgetary last year	<u>246</u>	
Balance, GAAP basis - June 30, 2015	<u>\$ 3,195</u>	<u>\$ (668)</u>

**NONMAJOR
GOVERNMENTAL
FUNDS**

SPECIAL REVENUE FUNDS

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

Fund	Funding Source	Function
Cafeteria	Sales and grants	School lunch program
Dog	License fees, fines and Town appropriation	Operation of animal control
Open Space Acquisition	Local funding	General government
Community Development	Federal grants	Federal housing funds
Public Library	State funds and public gifts	Library support
Drug Enforcement Education Grants	State grant	Drug enforcement activities
Town Memorial	Donations	Town Green and Memorial
Educational Grants	State and Federal grants	Special Education programs
Scholarship	Donations	Student scholarships
Maciolek Post Ambulance	Donations	Purchase of ambulances

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title. The Library Trust Fund is the Town's only permanent fund. It accounts for the funds endowed to the Town to benefit the Town's Library services. (Phelps Fund, H.F. Fletcher Fund, J. Pickens Fund, C. P. Cope Fund, H.A. Mosley Fund and Wrona Fund).

**TOWN OF ENFIELD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

(In Thousands)

	Special Revenue Funds										Permanent Funds	Total Nonmajor Governmental Funds
	Cafeteria	Dog	Open Space Acquisition	Community Development	Public Library	Drug Enforcement Education Grant	Town Memorial	Scholarship	Educational Grants	Macioek Post Ambulance	Library Trust	
ASSETS												
Cash	\$ 485	\$ 37	\$ 609	\$ 547	\$ 271	\$ 103	\$ 103	\$ 283	\$ 61	\$ 231	\$ 63	\$ 2,793
Receivables	192			1,638		50			18			1,898
Inventory	76											76
Total Assets	\$ 753	\$ 37	\$ 609	\$ 2,185	\$ 271	\$ 153	\$ 103	\$ 283	\$ 79	\$ 231	\$ 63	\$ 4,767
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
Liabilities:												
Accounts payable and accrued liabilities	\$ 3	\$ 31	\$	\$ 8	\$ 2	\$ 3	\$ 12	\$	\$	\$	\$	\$ 59
Due to other funds				208								208
Unearned revenue	20								79			99
Total liabilities	23	31	-	216	2	3	12	-	79	-	-	366
Deferred Inflows of Resources:												
Unavailable revenue - loans receivable				1,638								1,638
Total deferred inflows of resources	-	-	-	1,638	-	-	-	-	-	-	-	1,638
Fund Balances:												
Nonspendable	76										37	113
Restricted	654					150						804
Committed		6	609	331	269		91	283		231	26	1,846
Total fund balances	730	6	609	331	269	150	91	283	-	231	63	2,763
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 753	\$ 37	\$ 609	\$ 2,185	\$ 271	\$ 153	\$ 103	\$ 283	\$ 79	\$ 231	\$ 63	\$ 4,767

**TOWN OF ENFIELD, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	Special Revenue Funds										Permanent Fund	Total Nonmajor Governmental Funds
	Cafeteria	Dog	Open Space Acquisition	Community Development	Public Library	Drug Enforcement Education Grant	Town Memorial	Scholarship	Educational Grants	Macioek Post Ambulance		
Revenues:												
Intergovernmental	\$ 967	\$	\$	\$ 71	\$ 7	\$ 112	\$	\$	\$ 4,452	\$	\$	\$ 5,609
Charges for services	767	20		128	3							918
Investment income	1				(6)							(5)
Contributions and donations					4		54					58
Other income					2	8						10
Total revenues	<u>1,735</u>	<u>20</u>	<u>-</u>	<u>199</u>	<u>10</u>	<u>120</u>	<u>54</u>	<u>-</u>	<u>4,452</u>	<u>-</u>	<u>-</u>	<u>6,590</u>
Expenditures:												
Current:												
General government				154			60					214
Public safety		49				161						210
Library					20							20
Education	1,749							1	4,452			6,202
Total expenditures	<u>1,749</u>	<u>49</u>	<u>-</u>	<u>154</u>	<u>20</u>	<u>161</u>	<u>60</u>	<u>1</u>	<u>4,452</u>	<u>-</u>	<u>-</u>	<u>6,646</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(14)</u>	<u>(29)</u>	<u>-</u>	<u>45</u>	<u>(10)</u>	<u>(41)</u>	<u>(6)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56)</u>
Other Financing Sources (Uses):												
Transfers in		12				47						59
Transfers out												
Net other financing sources (uses)	<u>-</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59</u>
Net Change in Fund Balances	<u>(14)</u>	<u>(17)</u>	<u>-</u>	<u>45</u>	<u>(10)</u>	<u>6</u>	<u>(6)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Fund Balances at Beginning of Year	<u>744</u>	<u>23</u>	<u>609</u>	<u>286</u>	<u>279</u>	<u>144</u>	<u>97</u>	<u>284</u>	<u>231</u>	<u>63</u>	<u>-</u>	<u>2,760</u>
Fund Balances at End of Year	<u>\$ 730</u>	<u>\$ 6</u>	<u>\$ 609</u>	<u>\$ 331</u>	<u>\$ 269</u>	<u>\$ 150</u>	<u>\$ 91</u>	<u>\$ 283</u>	<u>\$ -</u>	<u>\$ 231</u>	<u>\$ 63</u>	<u>\$ 2,763</u>

TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS - WATER POLLUTION CONTROL FUND
FOR THE YEAR ENDED JUNE 30, 2016

(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Property taxes	\$	\$	\$	\$ -
Intergovernmental revenue			346	346
Charges for services	5,387	5,387	4,834	(553)
Other revenue	15	15	11	(4)
Total revenues	<u>5,402</u>	<u>5,402</u>	<u>5,191</u>	<u>(211)</u>
Expenditures:				
Current:				
Public works	4,674	4,674	5,089	(415)
Total expenditures	<u>4,674</u>	<u>4,674</u>	<u>5,089</u>	<u>(415)</u>
Excess of (Deficiency) Revenues over Expenditures	<u>728</u>	<u>728</u>	<u>102</u>	<u>(626)</u>
Other Financing Uses:				
Transfers out	<u>(728)</u>	<u>(728)</u>	<u>(429)</u>	<u>299</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(327)</u>	<u>\$ (327)</u>
Fund Balance at Beginning of Year			<u>(4,809)</u>	
Fund Balance at End of Year			<u>\$ (5,136)</u>	
<u>Reconciliation to GAAP Basis</u>				
	<u>Expenditures</u>	<u>Fund Balance</u>		
Balance, Budgetary Basis - End of Year	\$ 5,518	\$ (5,136)		
Encumbrances outstanding at end of year, charged to budgetary expenditures	(1,854)	1,854		
Payments on prior year encumbrances	<u>1,129</u>			
Balance, GAAP Basis - June 30, 2016	<u>\$ 4,793</u>	<u>\$ (3,282)</u>		

INTERNAL SERVICE FUNDS

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

Health Insurance Fund - To account for the revenues and related expenses for the health self-insurance plan for employees.

Information Technology Fund - Accounts for the financial operation of the central information systems department.

Commercial Liability Fund - Accounts for the commercial liability insurance activities at the Town.

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016

(In Thousands)

	<u>Health Insurance Fund</u>	<u>Information Technology Fund</u>	<u>Commercial Liability Fund</u>	<u>Total</u>
Assets:				
Current:				
Cash and cash equivalents	\$ 238	\$	\$ 539	\$ 777
Investments			1,153	1,153
Accounts receivable, net		90		90
Prepaid items			2	2
Due from other funds	1,271			1,271
Total current assets	<u>1,509</u>	<u>90</u>	<u>1,694</u>	<u>3,293</u>
Noncurrent:				
Capital assets, net		<u>206</u>		<u>206</u>
Total assets	<u>1,509</u>	<u>296</u>	<u>1,694</u>	<u>3,499</u>
Liabilities:				
Current:				
Accounts payable and accrued expenses	466	56	13	535
Claims payable	1,483			1,483
Current portion of capital lease payable		69		69
Due to other funds	738	29	285	1,052
Total current liabilities	<u>2,687</u>	<u>154</u>	<u>298</u>	<u>3,139</u>
Noncurrent:				
Capital lease payable		<u>69</u>		<u>69</u>
Total liabilities	<u>2,687</u>	<u>223</u>	<u>298</u>	<u>3,208</u>
Net Position:				
Net investment in capital assets				
Unrestricted	<u>(1,178)</u>	<u>73</u>	<u>1,396</u>	<u>291</u>
Total Net Position	<u>\$ (1,178)</u>	<u>\$ 73</u>	<u>\$ 1,396</u>	<u>\$ 291</u>

**TOWN OF ENFIELD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	<u>Health Insurance Fund</u>	<u>Information Technology Fund</u>	<u>Commercial Liability Fund</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 15,055	\$ 3,207	\$ 1,219	\$ 19,481
Total operating revenues	<u>15,055</u>	<u>3,207</u>	<u>1,219</u>	<u>19,481</u>
Operating Expenses:				
Health insurance claims	17,944			17,944
Risk management claims			1,324	1,324
Technology services		<u>3,101</u>		<u>3,101</u>
Total operating expenses	<u>17,944</u>	<u>3,101</u>	<u>1,324</u>	<u>22,369</u>
Operating Loss	(2,889)	106	(105)	(2,888)
Nonoperating Revenues:				
Income on investments			<u>11</u>	<u>11</u>
Change in Net Position	(2,889)	106	(94)	(2,877)
Net Position at Beginning of Year	<u>1,711</u>	<u>(33)</u>	<u>1,490</u>	<u>3,168</u>
Net Position at End of Year	<u>\$ (1,178)</u>	<u>\$ 73</u>	<u>\$ 1,396</u>	<u>\$ 291</u>

**TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

(In Thousands)

	Health Insurance Fund	Information Technology Fund	Commercial Liability Fund	Total
Cash Flows from Operating Activities:				
Receipts from charges for services	\$ 14,984	\$ 3,166	\$ 1,219	\$ 19,369
Payments for claims, premiums and fees	<u>(16,395)</u>	<u>(3,098)</u>	<u>(1,099)</u>	<u>(20,592)</u>
Net cash provided by (used in) operating activities	<u>(1,411)</u>	<u>68</u>	<u>120</u>	<u>(1,223)</u>
Cash Flows from Capital and Related Financing Activities:				
Payments on capital lease		<u>(68)</u>		<u>(68)</u>
Cash Flows from Investing Activities:				
Sales of investments			(751)	(751)
Investment income			<u>11</u>	<u>11</u>
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>(740)</u>	<u>(740)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,411)		(620)	(2,031)
Cash and Cash Equivalents at Beginning of Year	<u>1,649</u>		<u>1,159</u>	<u>2,808</u>
Cash and Cash Equivalents at End of Year	<u>\$ 238</u>	<u>\$ -</u>	<u>\$ 539</u>	<u>\$ 777</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (2,889)	\$ 106	\$ (105)	\$ (2,888)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	17	(41)		(24)
Decrease (increase) in prepaid expenses		15		15
Decrease (increase) in due from other funds	(88)			(88)
Increase (decrease) in accounts payable and other payables	466		(61)	405
Increase (decrease) in claims payable	359			359
Increase (decrease) in due to other funds	<u>724</u>	<u>(12)</u>	<u>286</u>	<u>998</u>
Total adjustments	<u>1,478</u>	<u>(38)</u>	<u>225</u>	<u>1,665</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,411)</u>	<u>\$ 68</u>	<u>\$ 120</u>	<u>\$ (1,223)</u>

FIDUCIARY FUNDS

Trust Funds

The *Pension Trust Fund* is used to account for the activities of the Enfield Employees Retirement System.

The *OPEB Trust Fund* is used to account for the retiree health benefits of the single-employer defined benefit plan.

Agency Funds

Agency funds are custodial in nature and do not involve measurement of results of operations, but are merely clearing accounts. There is no fund equity. The Town has seven agency funds: The Student Activity Funds, Performance Bonds Fund, Employee Insurance - Board of Education Fund, Cultural Arts Commission Fund, and Smyth Bus Contract Bond Fund. The Student Activity Funds account for monies generated by student activities in the Enfield School System.

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2016

(In Thousands)

	<u>Pension</u> <u>Trust Fund</u>	<u>OPEB</u> <u>Trust Fund</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ _____	\$ 192	\$ 192
Investments:			
Certificates of deposit			
Stocks		2,381	2,381
Fixed income		883	883
Deferred retirement option program	1,169		1,169
Mutual funds		819	819
Guaranteed deposit	19,555		19,555
Insurance company-pooled separate account	90,280		90,280
Real estate funds	6,835		6,835
Total investments	<u>117,839</u>	<u>4,083</u>	<u>121,922</u>
Total assets	<u>\$ 117,839</u>	<u>\$ 4,275</u>	<u>\$ 122,114</u>
Net Position:			
Restricted in Trust for Pension and Other Purposes	<u>\$ 117,839</u>	<u>\$ 4,275</u>	<u>\$ 122,114</u>

TOWN OF ENFIELD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

(In Thousands)

	<u>Pension</u> <u>Trust Fund</u>	<u>OPEB</u> <u>Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer contributions	\$ 4,065	\$ 1,387	\$ 5,452
Employee contributions	1,260		1,260
Total contributions	<u>5,325</u>	<u>1,387</u>	<u>6,712</u>
Investment income:			
Interest and dividends	2,475	94	2,569
Net change in fair value of investments	251	(57)	194
Total investment gain	<u>2,726</u>	<u>37</u>	<u>2,763</u>
Less investment expenses:			
Investment management fees	379		379
Net investment income	<u>2,347</u>	<u>37</u>	<u>2,384</u>
Total additions	<u>7,672</u>	<u>1,424</u>	<u>9,096</u>
Deductions:			
Benefits paid	5,580	1,387	6,967
Administration expenses	169	55	224
Total deductions	<u>5,749</u>	<u>1,442</u>	<u>7,191</u>
Change in Net Position	1,923	(18)	1,905
Net Position at Beginning of Year	<u>115,916</u>	<u>4,293</u>	<u>120,209</u>
Net Position at End of Year	<u>\$ 117,839</u>	<u>\$ 4,275</u>	<u>\$ 122,114</u>

TOWN OF ENFIELD, CONNECTICUT
AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

(In Thousands)

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and cash equivalents:				
Student activity funds	\$ 414	\$ 692	\$ 660	\$ 446
Employee Insurance - Board of Education	16	67	64	19
Performance bonds	951	117	50	1,018
Cultural Arts Commission	30	9	4	35
Smyth Bus Contract Bond	100			100
Total cash and cash equivalents	<u>1,511</u>	<u>885</u>	<u>778</u>	<u>1,618</u>
Total Assets	\$ <u>1,511</u>	\$ <u>885</u>	\$ <u>778</u>	\$ <u>1,618</u>
Liabilities:				
Deposits held for others:				
Student activity funds	\$ 387	\$ 692	\$ 660	\$ 419
Employee Insurance - Board of Education	16	67	64	19
Performance bonds	951	69	50	970
Cultural Arts Commission	30	9	4	35
Smyth Bus Contract Bond	100			100
Total deposits held for others	<u>1,484</u>	<u>837</u>	<u>778</u>	<u>1,543</u>
Accounts payable:				
Student activity funds	27			27
Performance bonds		48		48
Total accounts payable	<u>27</u>	<u>48</u>	<u>-</u>	<u>75</u>
Total Liabilities	\$ <u>1,511</u>	\$ <u>885</u>	\$ <u>778</u>	\$ <u>1,618</u>

STATISTICAL SECTION

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

Statistical section information is presented in the following categories:

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

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

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

TOWN OF ENFIELD, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

(In Thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net investment in capital assets	\$ 183,330	\$ 182,424	\$ 174,618	\$ 186,149	\$ 189,683	\$ 191,750	\$ 189,574	\$ 192,678	\$ 221,663	\$ 267,221
Restricted	62	64	65	1,905	6,057	1,983	1,852	1,782	1,758	1,701
Unrestricted	<u>34,133</u>	<u>36,178</u>	<u>41,210</u>	<u>27,376</u>	<u>24,273</u>	<u>26,465</u>	<u>29,354</u>	<u>21,239</u>	<u>18,082</u>	<u>(17,670)</u>
Total Governmental Activities Net Position	<u>\$ 217,525</u>	<u>\$ 218,666</u>	<u>\$ 215,893</u>	<u>\$ 215,430</u>	<u>\$ 220,013</u>	<u>\$ 220,198</u>	<u>\$ 220,780</u>	<u>\$ 215,699</u>	<u>\$ 241,503</u>	<u>\$ 251,252</u>

TOWN OF ENFIELD, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	\$ 5,680	\$ 5,774	\$ 5,251	\$ 6,054	\$ 6,246	\$ 12,111	\$ 7,304	\$ 9,552	\$ 9,040	\$ 17,781
Public safety	11,094	11,524	11,041	11,843	12,244	12,612	13,134	16,121	15,315	32,366
Recreation	521	551	478	30	30	30	29			
Public works	20,209	21,396	20,017	24,585	22,456	25,465	25,388	25,829	26,430	26,780
Health and social services	8,255	7,621	8,176	8,193	8,481	8,761	8,837	9,157	9,600	9,967
Library	1,741	1,735	1,720	1,766	1,790	1,773	1,789	1,809	1,858	1,740
Planning and development	789	985	857	1,152	1,073	1,165	1,326	1,234	1,518	1,471
Intergovernment and interagency	347	364	373							
Education	81,709	107,037	88,234	81,373	82,836	83,469	84,160	86,343	83,736	86,113
Interest on long-term debt	950	1,099	1,269	1,337	1,107	1,116	875	922	2,683	3,002
Total governmental activities expenses	<u>131,295</u>	<u>158,086</u>	<u>137,416</u>	<u>136,333</u>	<u>136,263</u>	<u>146,502</u>	<u>142,842</u>	<u>150,967</u>	<u>150,180</u>	<u>179,220</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,292	1,247	979	1,499	1,410	2,000	1,801	4,035	3,134	3,093
Public safety	321	335	149	660	944	634	459	451	603	672
Recreation, arts and culture	138	308	376	193	225	141	192			
Public works	1,134	2,129	1,060	1,108	1,381	1,077	2,255	2,268	5,058	4,945
Health and social services	3,569	3,644	4,260	3,995	3,943	4,477	3,788	4,070	4,219	4,353
Library	24	27	21	21	24	24	17	18	16	16
Planning and development	167	55	59	59	33	28	41			
Education	4,069	3,954	3,683	3,583	2,626	1,529	1,757	3,798	1,094	1,099
Operating grants and contributions	37,194	64,003	40,399	42,158	45,292	46,569	45,565	48,368	46,447	50,443
Capital grants and contributions	5,392	635	1,500	2,668	5,003	8,829	4,622	3,986	28,935	32,435
Total governmental activities program revenues	<u>53,300</u>	<u>76,337</u>	<u>52,486</u>	<u>55,944</u>	<u>60,881</u>	<u>65,308</u>	<u>60,497</u>	<u>66,994</u>	<u>89,506</u>	<u>97,056</u>
Net (expense) revenue:										
Governmental activities	<u>(77,995)</u>	<u>(81,749)</u>	<u>(84,930)</u>	<u>(80,389)</u>	<u>(75,382)</u>	<u>(81,194)</u>	<u>(82,345)</u>	<u>(83,973)</u>	<u>(60,674)</u>	<u>(82,164)</u>
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	76,232	76,103	76,668	75,936	76,638	77,384	79,475	84,360	84,230	89,493
Grants and contributions not restricted to specific programs	5,727	5,098	4,661	3,399	3,091	3,538	3,333	1,708	2,065	2,092
Unrestricted investment earnings	2,975	397	828	591	236	457	119	189	183	328
Miscellaneous	709	1,292								
Total governmental activities	<u>85,643</u>	<u>82,890</u>	<u>82,157</u>	<u>79,926</u>	<u>79,965</u>	<u>81,379</u>	<u>82,927</u>	<u>86,257</u>	<u>86,478</u>	<u>91,913</u>
Change in Net Position:										
Governmental activities	<u>\$ 7,648</u>	<u>\$ 1,141</u>	<u>\$ (2,773)</u>	<u>\$ (463)</u>	<u>\$ 4,583</u>	<u>\$ 185</u>	<u>\$ 582</u>	<u>\$ 2,284</u>	<u>\$ 25,804</u>	<u>\$ 9,749</u>

**TOWN OF ENFIELD, CONNECTICUT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(In Thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Nonspendable	\$	\$	\$	\$	\$ 3,823	\$ 3,732	\$ 4,310	\$ 4,624	\$ 4,593	\$ 3,521
Committed							1,968	2,130	2,130	1,889
Assigned					1,448	2,569	1,592	832	2,171	3,110
Unassigned					13,113	11,784	13,525	16,041	16,908	18,070
Reserved	2,007	931	3,908	4,237						
Unreserved	<u>17,888</u>	<u>20,777</u>	<u>15,234</u>	<u>14,027</u>						
Total General Fund	<u>\$ 19,895</u>	<u>\$ 21,708</u>	<u>\$ 19,142</u>	<u>\$ 18,264</u>	<u>\$ 18,384</u>	<u>\$ 18,085</u>	<u>\$ 19,427</u>	<u>\$ 23,465</u>	<u>\$ 25,802</u>	<u>\$ 26,590</u>
All Other Governmental Funds:										
Nonspendable	\$	\$	\$	\$	\$ 197	\$ 196	\$ 196	\$ 149	\$ 124	\$ 113
Restricted					2,117	1,961	701	732	801	804
Committed					7,525	2,839	3,354	5,902	5,430	5,951
Assigned						5,648	3,552			
Unassigned					(3,681)	(13,146)	(9,746)	(14,415)	(10,184)	(16,308)
Reserved	10,395	4,486	2,715	3,215						
Unreserved, reported in:										
Special Revenue Funds	42	(43)	(485)	(2,392)						
Capital Projects Funds	(812)	9,676	9,790	7,004						
Permanent Funds	<u>23</u>	<u>25</u>	<u>26</u>	<u>25</u>						
Total All Other Governmental Funds	<u>\$ 9,648</u>	<u>\$ 14,144</u>	<u>\$ 12,046</u>	<u>\$ 7,852</u>	<u>\$ 6,158</u>	<u>\$ (2,502)</u>	<u>\$ (1,943)</u>	<u>\$ (7,632)</u>	<u>\$ (3,829)</u>	<u>\$ (9,440)</u>

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

TOWN OF ENFIELD, CONNECTICUT
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Property taxes	\$ 75,769	\$ 75,714	\$ 77,302	\$ 75,870	\$ 75,675	\$ 76,401	\$ 79,821	\$ 84,438	\$ 84,505	\$ 86,634
Intergovernmental	48,089	69,320	45,817	46,510	51,949	54,327	58,667	54,709	77,828	82,168
Charges for services	11,188	8,254	10,849	11,010	10,586	9,914	10,144	13,931	12,876	13,501
Contributions	199	62	176	104	733	243	117	253	275	274
Investment income	2,301	1,708	828	421	197	440	87	189	182	321
Other revenues	32	6,156	218	109	110	2	6	10	45	202
Total revenues	137,578	161,214	135,190	134,024	139,250	141,327	148,842	153,530	175,711	183,100
Expenditures:										
General government	4,220	5,206	4,763	5,102	5,680	10,510	6,909	6,684	7,097	6,506
Public safety	7,624	9,802	10,171	11,041	11,846	11,874	12,225	12,974	13,715	13,661
Recreation	421	507	449							
Public works	12,962	14,125	13,239	20,406	18,247	18,636	18,949	19,605	21,326	21,174
Health and social services	7,015	7,674	7,997	7,606	7,931	8,343	8,353	8,557	8,917	9,573
Library	1,265	1,565	1,578	1,554	1,614	1,603	1,593	1,630	1,724	1,673
Planning and development	728	974	857	1,152	1,073	1,165	1,326	1,204	1,418	1,388
Intergovernmental and interagency	347	364	373	384	403	413	448	435	442	464
Education	80,284	105,828	83,057	75,928	78,693	78,875	79,292	82,902	79,340	82,198
Nondepartmental	8,894	4,122	4,482	8,018	4,987	5,742	4,995	5,453	6,225	6,355
Capital outlay	8,376	20,184	7,851	4,964	8,057	14,243	12,684	13,001	50,908	60,319
Debt service:										
Principal	3,000	3,000	3,850	4,130	2,400	2,860	2,093	1,947	3,336	4,436
Interest	974	934	1,568	1,345	1,177	1,092	875	1,572	1,572	1,572
Total expenditures	136,110	174,285	140,235	141,630	142,108	155,356	149,742	155,964	196,020	209,319
Excess of revenues over (under) expenditures	1,468	(13,071)	(5,045)	(7,606)	(2,858)	(14,029)	(900)	(2,434)	(20,309)	(26,219)
Other financing sources (uses):										
Proceeds from bonds		19,000	10,395							
Capital lease issuance			437	1,072	1,287	4,285	2,707	783	25,000	20,000
Proceeds from refunding bonds				10,395						10,770
Payments to escrow agents				(12,627)						(11,867)
Proceeds on bond refunding premiums				1,009						1,222
Proceeds on bond premiums							94		1,449	1,271
Transfers in	8,248	8,248	11,649	11,671	5,264	4,734	4,447	4,705	3,469	4,142
Transfers out	(8,248)	(8,248)	(11,349)	(8,986)	(5,264)	(3,949)	(4,447)	(4,705)	(3,469)	(4,142)
Total other financing sources	-	19,000	11,132	2,534	1,287	5,070	2,801	783	26,449	21,396
Net Change in Fund Balances	\$ 1,468	\$ 5,929	\$ 6,087	\$ (5,072)	\$ (1,571)	\$ (8,959)	\$ 1,901	\$ (1,651)	\$ 6,140	\$ (4,823)
Debt Service as a Percentage of Noncapital Expenditures	3.3%	3.1%	2.6%	4.1%	4.0%	4.0%	2.8%	2.2%	2.5%	2.9%

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

(In Thousands)

Fiscal Year	Residential	Commercial Industrial	Land	Personal Property	Motor Vehicle	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2016	\$ 1,798,248	\$ 599,968	\$ 32,522	\$ 229,445	\$ 259,495	\$ 42,400	\$ 2,877,278	29.89	\$ 4,110,397	70.00%
2015	1,796,940	592,825	33,312	204,876	261,380	38,239	2,851,094	29.13	4,072,991	70.00%
2014	1,795,479	604,574	33,473	198,099	252,396	38,698	2,845,323	29.26	4,064,747	70.00%
2013 ⁽¹⁾	1,795,350	611,232	35,112	194,670	258,008	41,300	2,853,072	27.84	4,075,817	70.00%
2012	2,113,105	683,778	26,923	181,749	245,484	37,669	3,213,370	23.88	4,590,529	70.00%
2011	2,109,385	682,905	26,911	181,113	232,306	39,356	3,193,264	23.88	4,561,806	70.00%
2010	2,105,310	667,538	26,840	184,333	228,213	47,248	3,164,986	23.88	4,521,408	70.00%
2009	2,099,258	663,158	30,091	178,150	240,108	36,840	3,173,925	23.88	4,534,179	70.00%
2008 ⁽²⁾	2,090,279	660,989	31,570	186,657	237,277	45,202	3,161,570	23.88	4,516,529	70.00%
2007	1,211,014	472,041	21,321	182,567	235,424	38,735	2,083,632	36.18	2,976,617	70.00%

Source: Town of Enfield Office of Tax Assessor

Note:

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

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

**TOWN OF ENFIELD, CONNECTICUT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Rate per \$1,000 of Assessed Value)**

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Town:										
General	29.89	29.13	29.26	27.84	23.88	23.88	23.88	23.88	23.88	36.18
District:										
Enfield F.D.	3.35	3.25	3.15	3.05	2.65	2.50	2.35	2.35	2.35	3.10
Thompsonville F.D.	8.34	7.25	6.45	6.60	5.60	5.15	5.15	5.15	4.47	7.15
Hazardville F.D.	2.45	2.40	2.10	2.10	1.75	1.75	1.75	1.75	1.75	2.75
N. Thompsonville F.D.	3.15	3.15	3.05	2.90	2.40	2.40	2.40	2.40	2.40	3.00
Shaker Pines F.D.	2.30	2.30	2.30	2.20	1.70	1.70	1.70	1.10	1.10	1.80

Source: Town of Enfield Finance Department

TABLE 7

**TOWN OF ENFIELD, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

(In Thousands)

Taxpayer	October 1, 2014*			October 1, 2004		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Mass Mutual Insurance	\$ 45,967	1	1.60 %	\$ 26,978	3	1.32 %
National Industrial Portfolio	36,873	2	1.28 %			
Centro Enfield LLC	34,988	3	1.22 %			
Connecticut Light and Power	32,822	4	1.14 %	19,024	6	0.93 %
Hallmark Cards	26,317	5	0.91 %	36,224	2	1.77 %
Galileo Freshwater/Stateline	22,393	6	0.78 %			
Retail Brand Alliance	22,366	7	0.78 %			
Paremount Commons at Enfield LLC	21,856	8	0.76 %			
Eppendorf, Inc.	18,276	9	0.64 %			
Equity One LLC	18,099	10	0.63 %			
Lego Building Corp				62,260	1	3.04 %
Enfield Square, LLC				26,753	4	1.31 %
Casual Corner Group, Inc				22,262	5	1.09 %
CUNO, Inc.				13,639	7	0.67 %
Gateway Conn Properties				12,854	8	0.63 %
Northland Bigelow Commons LTD				11,652	9	0.57 %
SEA Enfield Commons, LLC				10,971	10	0.54 %
Total	\$ <u>279,957</u>		<u>9.73 %</u>	\$ <u>242,617</u>		<u>11.87 %</u>

Source: Town of Enfield, Office of Tax Assessor

* Fiscal year July 1, 2015 - June 30, 2016

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

(In Thousands)

Fiscal Year Ended June 30	Tax Rate in Mills	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
			Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2016	\$ 29.89	\$ 86,126	\$ 84,487	98.10%	\$ 1,295	\$ 85,782	99.60%
2015	29.13	83,052	81,517	98.15%		81,517	98.15%
2014	29.26	83,132	81,428	97.95%	1,022	82,450	99.18%
2013	27.84	80,002	78,202	97.75%	1,425	79,627	99.53%
2012	23.88	76,343	74,517	97.61%	1,559	76,076	99.65%
2011	23.88	75,863	74,191	97.80%	1,416	75,607	99.66%
2010	23.88	75,354	73,940	98.12%	1,187	75,127	99.70%
2009	23.88	75,612	74,138	98.05%	1,213	75,351	99.65%
2008	23.88	75,213	73,579	97.83%	1,400	74,979	99.69%
2007	36.18	75,636	73,763	97.52%	1,529	75,292	99.55%

Source: Tax Collector's Report, Comprehensive Annual Financial Report.

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

(In Thousands, Except Per Capita)

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of Bonded Debt to Taxable Assessed Value	General Bonded Debt Per Capita	Debt as a Percentage of Family Income
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Capital Leases				
2016	\$ 62,155	\$ 10,000	\$ 1,502	\$ 73,657	2.18%	\$ 1,381	9.64%
2015	42,972	20,000	2,922	65,894	1.51%	955	8.63%
2014	19,450	16,500	4,633	40,583	0.68%	432	5.39%
2013	21,975	11,500	5,546	39,021	1.21%	867	5.19%
2012	23,905		4,867	28,772	0.90%	639	4.14%
2011	26,765		1,923	28,688	0.90%	643	4.13%
2010	29,165		1,145	30,310	0.96%	674	4.36%
2009	34,650		358	35,008	1.10%	778	5.03%
2008	38,500		7	38,507	1.22%	856	5.54%
2007	22,500		23	22,523	1.08%	501	3.24%

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

TOWN OF ENFIELD, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2016

(In Thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Debt repaid with property taxes			
Enfield Fire District	\$ 453	100%	\$ 453
Thompsonville Fire District	3,892	100%	3,892
Hazardville Fire District	544	100%	544
North Thompsonville Fire District	<u>1,213</u>	100%	<u>1,213</u>
Subtotal, overlapping debt	6,102		6,102
Town Direct Debt	<u>72,155</u>		<u>72,155</u>
Total Direct and Overlapping Debt	<u><u>\$ 78,257</u></u>		<u><u>\$ 78,257</u></u>

**TOWN OF ENFIELD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
JUNE 30, 2016**

(In Thousands)

Total Tax Collections (Including Interest and Lien Fees) for the Year Ended June 30, 2016	\$ 98,382
Reimbursement for Revenue Loss: Tax relief for elderly freeze	<u>2</u>
Base for Debt Limitation Computation	<u>\$ 98,384</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt Limitation:					
2 1/4 times base	\$ 221,364	\$	\$	\$	\$
4 1/2 times base		442,728			
3 3/4 times base			368,940		
3 1/4 times base				319,748	
3 times base					295,152
	<u>221,364</u>	<u>442,728</u>	<u>368,940</u>	<u>319,748</u>	<u>295,152</u>
Total debt limitation	<u>221,364</u>	<u>442,728</u>	<u>368,940</u>	<u>319,748</u>	<u>295,152</u>
Indebtedness:					
Bonds payable	46,484	12,026			
Bond authorized but unissued	47,500	15,000	36,000		
Fire district debt	6,102				
	<u>100,086</u>	<u>27,026</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
Net Indebtedness (1) (2)	<u>100,086</u>	<u>27,026</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 121,278</u>	<u>\$ 415,702</u>	<u>\$ 332,940</u>	<u>\$ 319,748</u>	<u>\$ 295,152</u>

(1) The total of the above net indebtedness amounts to: \$ 163,112

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 688,688

(2) There is no overlapping debt.

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

(In Thousands)

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limitation	\$ 688,688	\$ 665,616	\$ 663,733	\$ 626,094	\$ 599,466	\$ 593,768	\$ 591,241	\$ 601,174	\$ 585,830	\$ 582,253
Total net debt applicable to limit	<u>163,112</u>	<u>140,025</u>	<u>83,747</u>	<u>91,272</u>	<u>58,172</u>	<u>36,960</u>	<u>39,228</u>	<u>38,552</u>	<u>40,320</u>	<u>24,605</u>
Legal Debt Margin	<u>\$ 525,576</u>	<u>\$ 525,591</u>	<u>\$ 579,986</u>	<u>\$ 534,822</u>	<u>\$ 541,294</u>	<u>\$ 556,808</u>	<u>\$ 552,013</u>	<u>\$ 562,622</u>	<u>\$ 545,510</u>	<u>\$ 557,648</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	23.68%	21.04%	12.62%	14.58%	9.70%	6.22%	6.63%	6.41%	6.88%	4.23%

Source: Comprehensive annual financial report - Schedule of Debt Limitation

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

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

(In Thousands, Except Median Age)

<u>Fiscal Year</u>	<u>Population</u> ⁽¹⁾	<u>Per Capita Income</u> ⁽²⁾	<u>Median Household Income</u> ⁽²⁾	<u>Median Age</u> ⁽¹⁾	<u>School Enrollment</u> ⁽³⁾	<u>Unemployment Rate</u> ⁽⁴⁾
2016	45	\$ 30	\$ 68	41	5	5.0%
2015	45	29	67	41	5	4.5%
2014	45	30	66	41	5	5.7%
2013	45	29	66	41	5	8.0%
2012	45	29	66	41	6	8.7%
2011	44	28	65	40	6	6.8%
2010	45	21	61	37.3	6	8.3%
2009	45	22	61	37.3	6	7.7%
2008	45	22	61	37.3	6	6.5%
2007	45	22	61	37.3	6	4.7%

⁽¹⁾ Source: U.S. Department of Commerce, Bureau of the Census - 2010-2014 American Community Survey 5 Year Estimates - Demographic and Housing Estimates

⁽²⁾ Source: U.S. Department of Commerce, Bureau of the Census - 2010-2014 American Community Survey 5 Year Estimates - Selected Economic Characteristics

⁽³⁾ Source: Town of Enfield School Administration

⁽⁴⁾ Source: State of Connecticut Department of Labor October 2016

TABLE 14

**TOWN OF ENFIELD, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	Nature of Business	2016			2007		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Mass Mutual Insurance	Insurance	1,655	1	6.95%	1,950	1	8.02%
Town of Enfield	Municipality	1,353	2	5.68%			
Lego Building Corp.	Plastic Games & Toys	715	3	3.00%	325	4	1.34%
Retail Brand Alliance	Retail	450	4	1.89%	300	6	1.23%
Eppendorf Manufacturing	Life Science	320	5	1.34%			
CT Dept. of Corrections	Detention Facilities	225	6	0.95%			
Martin Brower	Transportation	210	7	0.88%	215	8	0.88%
Target	Retail	200	8	0.84%			
Underwriter's Labs	Product Safety Testing	153	9	0.64%			
Super Stop & Shop	Grocery Chain	150	10	0.63%			
Kohl's	Retail	118	11	0.50%			
Hallmark Cards, Inc.	Greeting Cards				860	2	3.54%
Precision Camera					500	3	2.06%
CUNO Inc.	Water Filters				300	5	1.23%
MeadWestvaco	Manufacturing				217	7	0.89%
Total		5,549		23.30%	4,667		19.19%

Source: Town of Enfield, Official Statement and Historical Report

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

	FULL-TIME EQUIVALENT EMPLOYEES AS OF JUNE 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	57	56	61	55	61	58	59	68	63	64
Public Safety	139	149	137	130	136	121	138	138	138	120
Refuse collection	20	20	19	20	20	20	21	22	22	19
Social Services	68	69	63	68	63	63	68	74	75	83
Other public works	115	117	109	110	112	109	109	65	68	69
Parks and recreation	2	2	2	2	3	3	3	3	2	3
Library	18	17	18	15	16	20	19	19	18	28
Education	757	766	771	781	796	826	835	831	854	840
Total	<u>1,176</u>	<u>1,196</u>	<u>1,180</u>	<u>1,181</u>	<u>1,207</u>	<u>1,220</u>	<u>1,252</u>	<u>1,220</u>	<u>1,240</u>	<u>1,226</u>

Source: Historical annual reports and departmental reports.

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

	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government:										
Building permits issued	2,463	2,527	2,289	2,174	2,143	1,896	1,782	1,782	1,718	1,979
Police:										
Physical arrests	1,541	1,438	1,303	1,406	2,729	2,913	1,510	1,510	1,616	3,336
Parking violations	190	203	485	217	325	507	583	583	457	619
Traffic violations	8,200	5,087	10,640	10,711	10,357	11,235	11,797	11,797	12,815	9,256
Refuse collection:										
Refuse collected (tons per day)	55	55	66	70	69	85	62	62	60	69
Recyclables (tons per day)	16	16	18	21	18	16	13	13	12	11
Library:										
Volumes in collection	134,241	154,269	141,271	136,043	136,043	147,751	145,570	145,570	141,039	136,109
Total volumes borrowed	277,414	290,609	309,780	329,064	352,091	368,370	383,243	383,243	350,951	330,551
Wastewater:										
Average daily sewage treatment (thousands of gallons)	5,139	4,550	5,295	4,954	5,820	5,160	5,900	5,900	6,532	5,200

Source: Historical departmental reports

TABLE 17

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

Function/Program	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	2	2
Patrol districts	7	7	7	7	7	7	7	7	7	7
Fire stations	6	6	6	6	6	6	6	6	6	6
Refuse collection:										
Collection trucks	13	13	13	14	13	15	15	13	10	10
Other public works:										
Streets (miles)	183	181	181	181	181	181	181	181	180	180
Highways (miles)	30	30	30	30	30	30	30	30	30	30
Streetlights	3690	3690	3690	3690	3690	3690	3690	3690	57	57
Traffic signals	8	8	8	8	8	8	8	8	8	8
Parks and recreation:										
Acreage	404	404	404	404	404	404	404	404	205	205
Playgrounds	20	21	21	21	21	11	11	11	10	10
Baseball/softball diamonds	36	36	36	36	36	35	35	35	30	30
Soccer/football fields	17	17	17	17	17	17	17	17	17	17
Community centers	2	2	2	2	2	2	2	2	2	2
Wastewater:										
Sanitary sewers (miles)	286	286	286	286	286	286	286	286	300	300
Storm sewers (miles)	400	400	400	400	400	400	400	400	400	400