

Comprehensive Annual Financial Report

of the

Town of Coventry, Connecticut

Fiscal Year Ended June 30, 2020

**Department of Finance
Amanda L. Backhaus, CPA
Finance Director**

**TOWN OF COVENTRY, CONNECTICUT
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JUNE 30, 2020**

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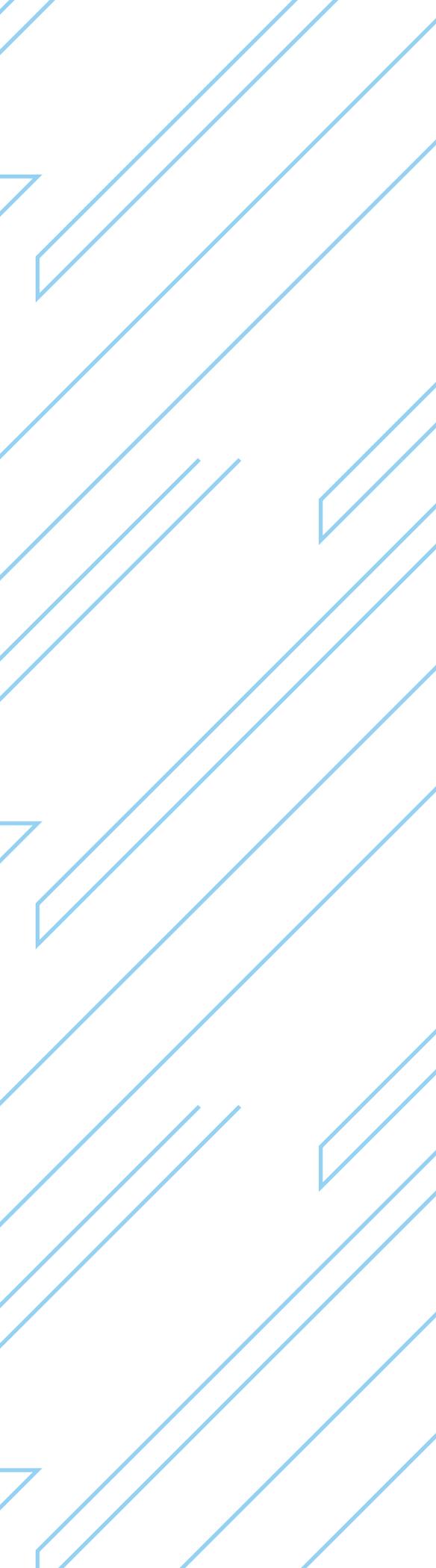
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Introductory Section



Town of Coventry

1712 Main Street • Coventry, CT 06238 • Fax (860) 742-8911

December 8, 2020

To the Members of the Town Council, Board of Education, Superintendent of Schools and Citizens of the Town of Coventry:

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 the requirement, we hereby issue the Comprehensive Annual Financial Report of the Town of Coventry for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the Town of Coventry. 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 Coventry has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Coventry's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the Town of Coventry'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 Coventry's financial statements have been audited by Blum, Shapiro and 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 Coventry for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence to support 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 on the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Coventry's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

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

Profile of the Town of Coventry

Incorporated in 1712 and named after the City of Coventry in Warwickshire, England, the Town encompasses approximately 37.3 square miles within Tolland County, with an estimated population of 12,500. The Town is located within Tolland County, and is known as the “gateway to the quiet corner”. Bounded by the Towns of Vernon and Bolton on the west, Mansfield on the east, Tolland on the north and Andover and Columbia on the south, the Town is located 19 miles east of Hartford and 6 miles northwest of Willimantic.

Coventry traditionally has been both an agricultural and industrial community, as there are several mills along the rivers of the Town which were active in the 19th and early 20th centuries. Little industry remains in Town. During the early part of this century, the Town became a tourist destination when many vacation homes were developed along the shores of Coventry Lake (Lake Wangambug). The Town currently enjoys two public beaches and a public boat launch on this 375-acre lake. Also in town are two 18-hole golf courses. The Town has seen a great deal of residential growth in recent years but still possesses strong rural and historic character, honoring our status as the birthplace of revolutionary war hero Nathan Hale.

The Town adopted its first charter on October 2, 1967, effective November 4, 1969. A seven-member Town Council with a Chief Administrative Officer replaced a three-person Board of Selectmen, Board of Finance form of government. Revisions to the Charter were adopted on November 6, 1973, at which time the title of Chief Administrative Office was changed to Town Manager. Policy-making and legislative authority are vested in the governing Town Council. The Council elects a Council Chair, and appoints a Town Manager to administer the non-educational functions of the Town. An elected Board of Education appoints a Superintendent of Schools to administer the Town’s school system. An organizational chart outlining the town government, as well as a listing of principal town officials can be found later in this section.

The Town of Coventry provides its residents with a complete level of municipal services in the functional areas of police, public works, health and social services, recreations and parks, planning and zoning and a K-12 public education system. In addition, the Town is the primary support for two volunteer fire services and the Booth and Dimock Library. Sewers are provided to approximately 1000 homeowners and businesses primarily in the area around Coventry Lake. The Town contracts for refuse and recyclable collection, as well as health and sanitation services available from membership in the Eastern Highland Health district.

The annual budget serves as the foundation for the Town’s financial planning and control. Budgetary controls are maintained with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As seen in the schedules in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note 2 in the Notes to Basic Financial Statements describes the budget process used by the Town.

Local Economy

Coventry offers a comfortable mix of residential rural living while providing easy access to the full spectrum of conveniences and opportunities available in the diverse market place found east of the Connecticut River. The Town has a diversity of land and property to support future growth and development, while at the same time taking care to maintain the character of the community.

The Town has several focus areas for development. One is the Route 44 corridor with convenient access to routes 1-84 and 1-384, and a traffic count of 20,000 per day. The other area is the historic Coventry Village with its multiple mill sites, shops and restaurants, and access to water and sewer. Currently, the economic base is primarily dominated by small and home-based businesses.

The Town offers affordable land and housing, and maintains a stronger housing market than other area communities. The Grand List trend continues to show growth year over year. The Building Department reports steady permit activity, reflecting the continued prosperity of the tax base.

A profile generated by the Connecticut Economic Resource Center in 2019 shows the Town of Coventry has a median household income (2017) of \$88,562 much higher than the state level of \$73,781. The Town is served by two banks, several bed and breakfast facilities, one grocery store and two chain pharmacies. Cumberland Farms recently purchased property along the Route 44 corridor and opened to the public the Fall of 2020.

Long-Term Financial Planning

The Fiscal Management Policy adopted by the Town Council sets an unassigned fund balance goal equal to 15% of General Fund expenditures. At the close of the current fiscal year, unassigned fund balance for the General Fund when expressed as a percentage of the final approved budget appropriation is 13.63%. \$310,000 of unassigned General Fund resources was included in the 20/21 budget. This was done as part of a comprehensive COVID 19 Financial Response Plan that was adopted by the Town Council in June 2020. This plan included use of fund balance, reduction to the anticipated collection rate, and reductions to the overall proposed 20/21 proposed budget.

The Town of Coventry prepares a six-year capital improvement plan to assist management and policy decision makers in the capital budget setting process. The capital budget is funded through a combination of current operating appropriation, long-term bonding, short-term borrowing, and grants and contributions. Management has been very successful in acquiring grants to reduce the burden on the local property tax base. In FY 19/20 the Town of Coventry used grant funding to complete bridge repair, road repair and maintenance, assist in the purchase of a clean diesel dump truck, provide transportation for the elderly and housing rehab, provide assistance for farm viability, provide crumbling foundation core-testing aid, school security equipment, educational food services, preschool assistance and special education funding assistance. Opportunities for grant funding are pursued whenever they are presented and are aligned with Town goals.

Financial Planning and Policies

During FY 19/20 the Town of Coventry invested its available cash in short-term certificates of deposit, in municipal money markets and the Connecticut State Treasury Short Term Investment Fund (STIF). STIF is an investment pool managed by the State of Connecticut, Office of the State Treasurer. These options were chosen because they offer liquidity of investments, competitive yields, and offer the combination with low risk. This is compliant with the guidelines set forth in the Investment Policy adopted by the Town Council.

Interest income for the General Fund in FY 19/20 totaled \$89,793 compared to \$81,677 in 18/19, due to an increase in interest rates.

Major Initiatives

During FY 19/20 was another busy year for the Town of Coventry. The Town received a new grant relating to clean diesel vehicles, which was used to help purchase a new dump truck. Work continued on the School Energy bonded project, including asbestos abatement at the High School and the start of some HVAC work at the complex. Replacement of Jones Crossing Bridge was completed, which is funded by both a grant and approved bond issuance. The taxpayers approved \$4 million of road bond funding in May 2019 – work continued on this project as we completed year 2 of 3 over the summer of 2020. CGS parking lot reconfiguration was completed. The Town is actively working on three Local Transportation Capital Improvement Program grants: Swamp Road Intersection Realignment (\$1,353,000), Folly Lane Bridge Replacement (\$1,132,800) and South St Roadway and Pedestrian Improvements (\$1,580,400). In addition, the Town is also working on a Community Connectivity grant to expand the current sidewalks in Town (\$399,840). In November 2020, bonding was approved through referendum for school roof replacement and a library expansion project. The library expansion project includes \$850 thousand in State grant awards.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Coventry for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This is the twelfth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

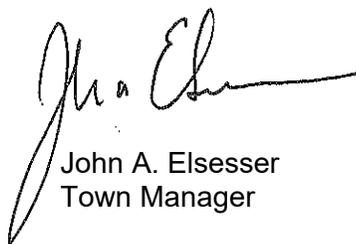
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department, in particular Town Accountant, Debbie Kratochvil, and Assistant to the Town Accountant, Christine Small. Recognition is also due to the School Business Manager for the Board of Education Robert Carroll, and his staff, Celeste Bedard, Tina Moriarty, and Kate Arey. A special note of thanks goes to the audit team of Blum, Shapiro & Company, P.C. for their guidance and assistance. Due credit should also be given to the Superintendent of Schools, the Town Council and the Board of Education for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,



Amanda L. Backhaus, CPA
Finance Director

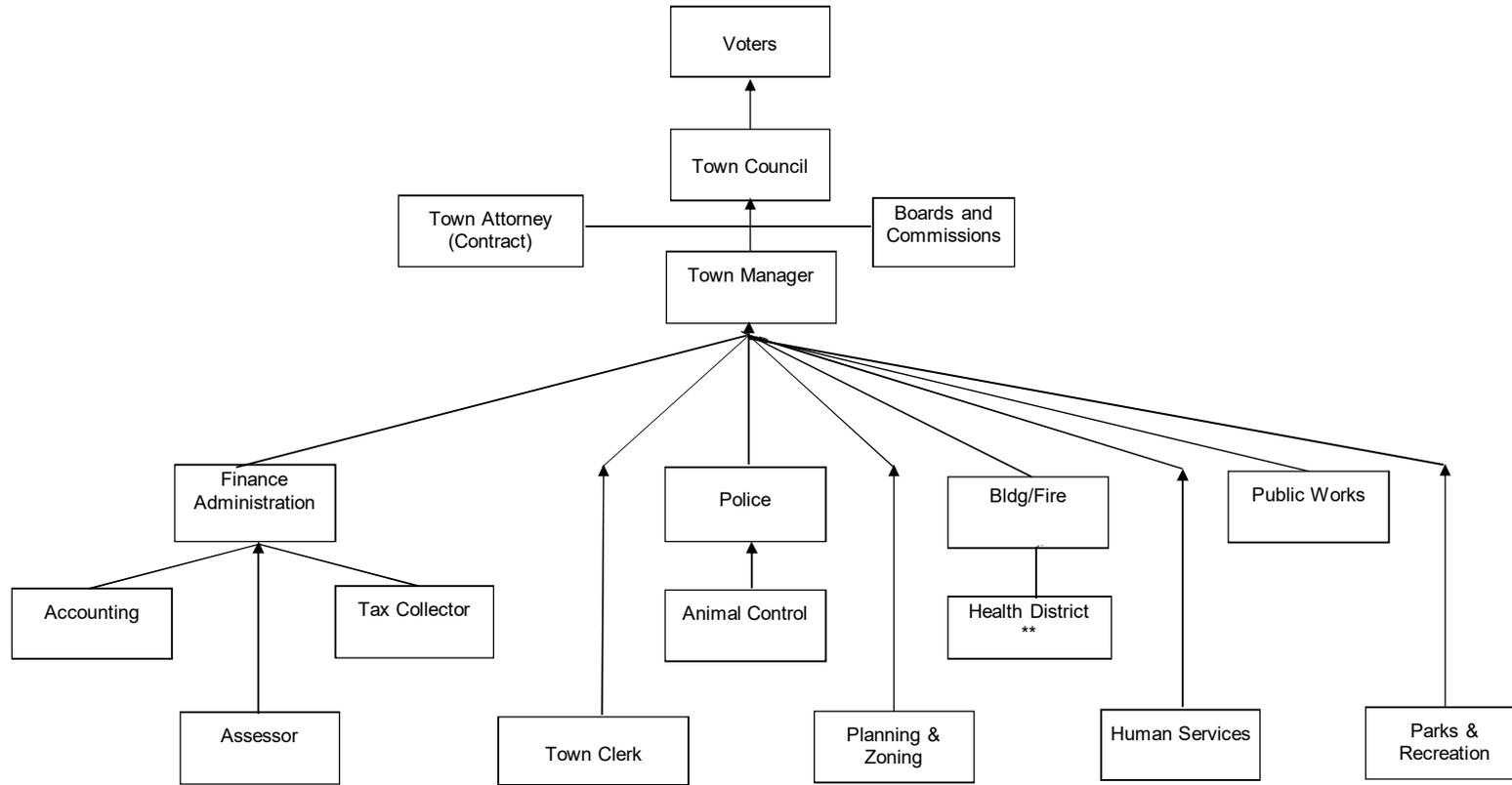


John A. Elsesser
Town Manager

Organization Chart

Town of Coventry, Connecticut

FY 2019/20



**Employee of Eastern Highlands Health District

Town of Coventry

Listing of Principal Officials

Town Council

Julie Blanchard, Chair
Matthew O'Brien, Vice Chair
Richard Williams, Secretary
Lisa Conant

Matthew O'Brien, Jr.
Jonathan Hand
Lisa Thomas

Registrar of Voters

Town Manager
Finance Director
Town Accountant
Tax Assessor
Collector of Revenue
Building Official
Fire Marshal
Human Services Director
Youth Services Coordinator
Police Chief
Public Works Director
Town Engineer
Parks and Recreation Director
Director of Planning and Development
Zoning Enforcement Officer
Town Clerk

Pamela Sewell
Marge Roach
John Elsesser
Amanda Backhaus
Debbie Kratochvil
Michael D'Amicol
Linda Greenbacker
Joseph Callahan
Bud Meyers
Annemarie Sundgren
Sneha Patidar L'Heureux
Mark Palmer
Mark Kiefer
Todd Penney
Wendy Rubin
Eric Trott
Mark Landolina
Lori Tollmann

Board of Education

Jennifer Beausoleil, Chairman
William Oros, Vice-Chairman
Eugene Marchand, Secretary
Barbara Pare'

Christina Williams
Robert Williams
Mary Kortmann

Superintendent of Schools

Dr. David Petrone



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Coventry
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



Financial Section

Independent Auditors' Report

To the Town Council
Town of Coventry, 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 Coventry, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Coventry, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Coventry, Connecticut, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Coventry, 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Coventry, Connecticut, as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 18, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020 on our consideration of the Town of Coventry, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Coventry, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Coventry, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 8, 2020

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

This discussion and analysis of the Town of Coventry, 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, 2020. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net position of the Town of Coventry's governmental activities decreased by \$1.33 million.
- During the year, the Town had \$53.7 million in revenues for governmental programs. Of this, 59.42% was generated from property tax revenues (Table 2).
- Total cost of all of the Town's programs was \$55.1 million with no new programs added this year. This is an increase of approximately \$4.1 million from the prior year. This increase is largely attributable to bonded capital projects completed during the year.
- The Town's total general obligation bonded debt increased by \$5.89 million or 6.3% due to the issuance of \$7,270,000 general obligation bonds, offset by scheduled repayments.
- The General Fund reports a GAAP fund balance this year of \$6,229,888 less an assigned balance for encumbrances of \$372,664, a committed balance of \$104,248, a non-spendable balance of \$52,589, and a restricted balance of \$14,607, leaving an unassigned fund balance of \$5,685,780. The Fiscal Management policy of the Town Council sets a target of fund balance at 15%. At the close of the current fiscal year, unassigned fund balance for the General Fund when expressed as a percentage of the final approved budget appropriation is 13.63%.
- The State of Connecticut contributed \$4,107,502 and \$112,261 on behalf of Coventry certified staff to the teachers' retirement fund pension and OPEB, respectively.

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 (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these 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 Exhibits I and II. The statement of net position and the statement of activities report information about the Town 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, defined as 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 position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial 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 health of the Town.

Government-Wide Financial Statements (Continued)

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, human services, culture and recreation, insurance and sundry, and education. The Town has no business-type activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III 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 establishes many other funds to help control and manage financial activities for particular purposes (such as the Educational Facility Use fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - 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 relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - 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. The Town's proprietary funds consist of the Town's internal service fund used to report activities to pay for the dental and medical self-insurance costs.
- *Fiduciary Funds (Exhibits VIII and IX)* - 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.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Government-Wide Financial Analysis

The Town's combined net position increased from a year ago. The analysis below 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	
	2020	2019
Current assets	\$ 24,958,633	\$ 19,340,258
Capital assets, net of accumulated depreciation	117,280,278	117,092,098
Total assets	<u>142,238,911</u>	<u>136,432,356</u>
Deferred outflows of resources	<u>3,584,974</u>	<u>2,156,887</u>
Long-term liabilities outstanding	36,373,380	27,868,170
Other liabilities	2,378,668	1,990,589
Total liabilities	<u>38,752,048</u>	<u>29,858,759</u>
Deferred inflows of resources	<u>2,357,054</u>	<u>2,682,659</u>
Net Position:		
Net investment in capital assets	102,155,249	102,037,384
Restricted	33,558	31,910
Unrestricted	<u>2,525,976</u>	<u>3,978,531</u>
Total Net Position	<u>\$ 104,714,783</u>	<u>\$ 106,047,825</u>

Overall, net position decreased by \$1.33 million or 1.25% over the prior year net position (\$104.7 million compared to \$106.0 million). 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 - changed from \$3.98 million at June 30, 2019 to \$2.53 million at June 30, 2020. The largest portion of the Town of Coventry's net position (\$102.2 million or 97.6%) reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less related debt used to acquire those assets that is still outstanding. These capital assets are a fundamental part of our service delivery to our citizens but are not available for future spending since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Government-Wide Financial Analysis (Continued)

Changes in governmental net position can be explained as follows:

- Decrease in current net position of \$1,333,042 as outlined in Table II.
- Total assets increased during the fiscal year by \$5.8 million, or 4.3%. Current assets increased \$5.6 million due unspent bond proceeds from debt that was issued in September 2019. The main driver behind the change in capital assets was a large increase to CIP due to ongoing bonded project which was offset by current year depreciation expense.
- Increase in deferred outflows of resources in the amount of \$1.43 million or 66.2%, and a decrease to deferred inflows of resources in the amount of \$326 thousand or 12.1%, both due to actual versus projected variables relating to the Town's pension and OPEB plans.
- Increase in long-term liabilities of \$8.5 million or 30.5% cause by the issuance of \$7,270,000 general obligation bonds, offset by scheduled debt repayment of \$1.38 million and an increase to the Total pension and OPEB liabilities of \$2.03 million and \$828 thousand, respectively.

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 3,879,026	\$ 4,176,825
Operating grants and contributions	15,983,159	12,557,558
Capital grants and contributions	1,637,033	1,219,269
General revenues:		
Property taxes	31,921,565	31,566,050
Grants and contributions not restricted to specific purposes	72,194	74,801
Unrestricted investment earnings	231,437	170,700
Total revenues	<u>53,724,414</u>	<u>49,765,203</u>
Expenses:		
General government	3,105,940	3,120,076
Public safety	4,640,962	4,157,498
Public works	7,434,460	7,581,344
Human services	626,509	986,564
Culture and recreation	1,235,934	1,380,027
Education	37,365,051	33,299,881
Debt service	648,600	388,476
Total expenses	<u>55,057,456</u>	<u>50,913,866</u>
Increase in Net Position	(1,333,042)	(1,148,663)
Net Position July 1	<u>106,047,825</u>	<u>107,196,488</u>
Net Position June 30	<u>\$ 104,714,783</u>	<u>\$ 106,047,825</u>

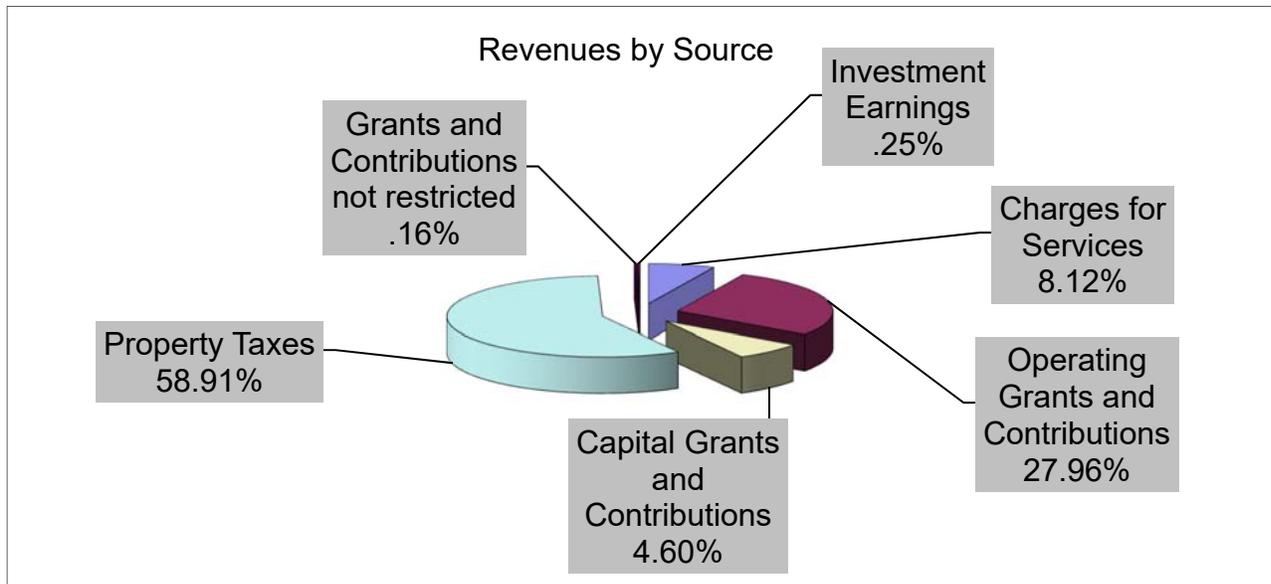
Government-Wide Financial Analysis (Continued)

Revenues

The Town's total revenues were \$53.7 million. Major revenue changes include the following:

- Program revenues: Charges for services remained similar to the prior year, with a decrease of \$298 thousand. This decrease was mainly attributable to the School Lunch fund which ceased charging for meals due to COVID related grant opportunities. Operating grants and contributions increased by \$3.4 million or 2.72% due to the Town's portion of State Teacher Retirement OPEB obligations – this amount was an increase in the current year and had been a decrease to revenue and expenses in the prior year. Capital grants and contributions increased by \$418 thousand or 34.26% due new grant funded projects such as the Swamp Road LOCIP project and the replacement of Jones Crossing Bridge.
- General revenues: Property taxes increased over the previous year by 1.1% due to grand list growth. Investment earnings totaled \$231 thousand, an increase of \$61 thousand, or 35.6%, from the prior year due to market conditions and changes in investment methodology.

The following chart shows the breakdown of revenues by source:



Government-Wide Financial Analysis (Continued)

Expenses

The total cost of all programs and services was \$55.1 million, an increase of \$4.1 million from the prior year. The following is an explanation of the major changes:

- Increase to the Town's net OPEB liability of \$828 thousand based on the most recent actuarial valuation.
- Increase to the Town's pension liability of approximately \$2.03 million based on the most recent actuarial valuation.

The following chart shows expenses by function:

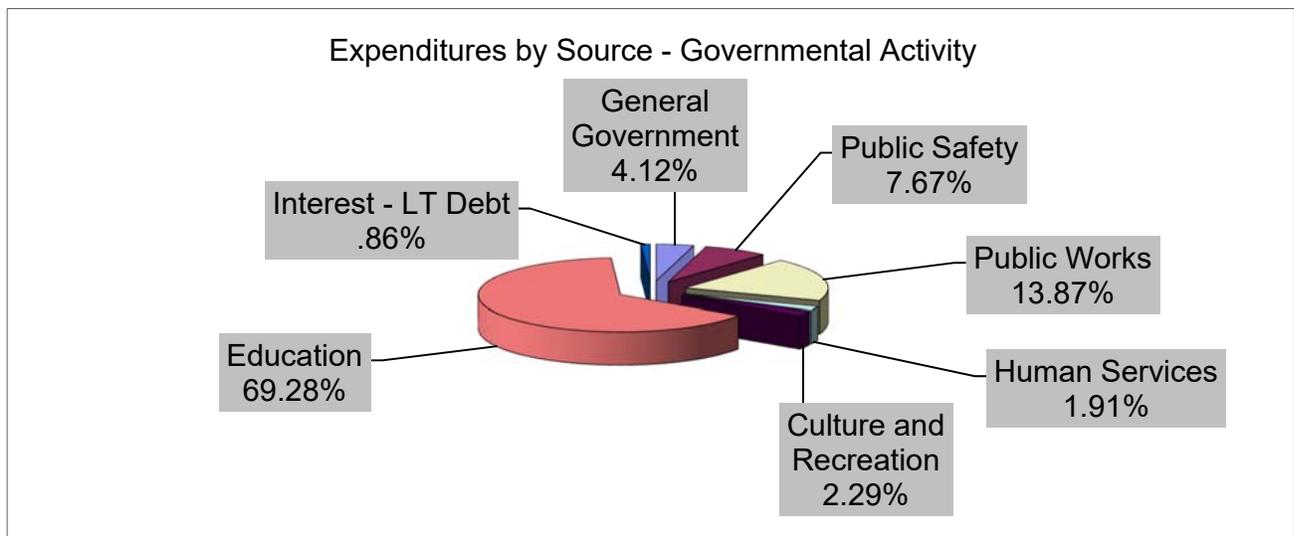


Table 3 presents the cost of each of the Town's programs - general government, public safety, public works, human services, culture and recreation, education and debt service - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

The General Government function includes costs related to overall governmental administration, and includes recording of legally required documents, computer system management, finance system management, assessment and collection of taxes, elections, land use planning and economic development.

Public Safety encompasses a full service police department, volunteer fire services and an ambulance service with contracted paramedic services.

Public Works includes the maintenance of Town roadways, repairs of the town fleet, maintenance at town parks and athletic facilities, management of the Town's cemeteries, code enforcement and engineering services. The solid waste and sewer operating programs are supported by user fees. This program is self-supporting and reduces the overall burden on the property tax.

Human Services include general family services, youth services and elderly services. In addition, this function incorporates the Community Development Block Grant program, which provides grants and no-interest loans for home improvement and community construction projects.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Government-Wide Financial Analysis (Continued)

Expenses (Continued)

Culture and Recreation funds a grant to the Booth-Dimock Memorial Library and provides support for the full parks and recreation program. The General Fund provided 14.5% of the costs of recreation and park maintenance. The balance is supported by the fees charged for a variety of programs offered to Town residents, summer camps for youth, full waterfront services at Coventry Lake and miscellaneous programs offered at the Town parks.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
General government	\$ 3,105,940	\$ 3,120,076	\$ (2,480,748)	\$ (2,547,923)
Public safety	4,640,962	4,157,498	(4,145,627)	(3,624,441)
Public works	7,434,460	7,581,344	(4,240,035)	(5,181,866)
Human services	626,509	986,564	(401,386)	(450,020)
Culture and recreation	1,235,934	1,380,027	(906,666)	(718,666)
Education	37,365,051	33,299,881	(20,735,176)	(20,048,822)
Debt service	648,600	388,476	(648,600)	(388,476)
Total	<u>\$ 55,057,456</u>	<u>\$ 50,913,866</u>	<u>\$ (33,558,238)</u>	<u>\$ (32,960,214)</u>

Town Funds Financial Analysis - Governmental Funds

At the close of the fiscal year the Town of Coventry reported (as presented in the balance sheet - Exhibit III) a combined fund balance of \$16.0 million, which is an increase from last year's total of \$10.1 million. The changes are explained as follows:

- General Fund balance increased by \$153,793, a 2.5% increase. This is due to revenues in excess of current year expenditures. A main driver behind this was the Board of Education had an unspent appropriation of \$296,111 due to savings relating to the COVID pandemic.
- Sewer Assessment fund balance decreased \$84,227 or 21.9% due to increased debt service payments to the General Fund. Upon the completion of the sewer expansion project around the lake, increased debt service requirements will cause this fund to shrink until all assessments have been collected and all debt has been paid.
- CDBG fund balance decreased \$86,848 or 86.1%. This fund uses grant monies to support its projects and only spends funds on hand for new loan projects. Several new projects were complete during the fiscal year.
- Capital Projects fund balance increased by \$6,380,918 or 983.6%. The Town issued \$7.27 million in general obligation bonds for school energy upgrades, bridge replacement and road work. This was offset by current expenditures related to those projects.
- Non-major Governmental Funds fund balance decreased \$462,216 or 15.9%. The major changes were as follows: Town Aid Road decreased by \$137 thousand due increased road work expenses; COVRRRA decreased by \$170 thousand due to increases in the cost of recycling, the Sewer Use Fund increased \$82 thousand due to good budgetary management, the Miscellaneous Grant fund decreased by \$258 thousand due to the timing of grant reimbursements, the EMS fund decreased by \$152 thousand due to the purchase of a new vehicle and the Education Tuition increased \$111 thousand.

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

General Fund Budget Highlights

The final adopted budgeted for fiscal year 2020 included the use of fund balance of \$367,798. Final results were an increase to fund balance of \$96,712. Overall, revenues were under final budget appropriations by \$8,572. Of this, \$33,554 was a result of the cancellation of prior year encumbrances. Taxes were under budgeted projections by \$72 thousand due a decrease in the 60 day collection rate. Operating grants were \$45,611 under final budget, due to the State's reduction in Coventry's ECS allocation.

Expenditures were within final budget authorization, with an ending positive variance of \$455,838. Of this, \$296,111 was related to education expenditures. Due to school closures relating to COVID 19, the Board of Education was able to realize significant savings. Public works was under budget by \$54,758 due to diligent budget monitoring throughout the year. Debt service was under budget by \$28,969 due to the favorable final annual debt payment schedule from the Town's bonding in September.

Throughout the fiscal year, the Town Council approved appropriation increases of \$367,798 for softball field engineering, Community Center repairs, High School Wall repair, a police cruiser, a COVID educational reserve and a year-end transfer to CNREF. Actual budgetary expenditures totaled \$41,253,424.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2020, the Town had \$117.3 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads and bridges as shown in Table 4. This amount represents a net increase (including additions and deductions) of \$188 thousand, or 0.2%, over last year.

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

	Governmental Activities	
	2020	2019
Land	\$ 3,594,289	\$ 3,594,289
Buildings	35,144,270	35,384,596
Improvements other than buildings	2,765,598	2,881,564
Equipment	5,640,209	5,616,322
Infrastructure	69,169,073	69,179,545
Construction in progress	966,839	435,782
Total	<u>\$ 117,280,278</u>	<u>\$ 117,092,098</u>

**TOWN OF COVENTRY, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Capital Assets and Debt Administration (Continued)

Capital Assets (Continued)

This year's major additions included:

- School security upgrades
- Town and BOE Disaster recovery software
- Town Hall bathroom renovations
- Jones Crossing Bridge Repair
- Foly Lane Bridge Repair
- Dump Trucks
- 2 Public Works pick-up trucks
- 2 Police Cruiser
- 1 Fire service vehicle
- Police radio upgrades
- Town Hall and BOE recording equipment
- Library oil tank replacement
- CHS wall repair
- Library expansion
- CGS parking lot improvements
- Northfield/Swamp Road realignment

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2020, the Town had \$15,235,000 in general obligation bonds outstanding versus \$9,345,000 last year – an increase of \$5,890,000. Clean Water Fund Loans of \$3,598,779 are a reduction of \$474,237 from the last fiscal year balance of \$4,073,016.

The Town's rating was changed to AA3 by Moody's as of December 2017. Despite strong management and a history of stable finances, the Town faces increased pressure from hold backs and declines in state funding which led to the downgrade. The Town rating was changed again in September 2019, subsequent to year-end. The Town's rating was increase to AA+ by Standard and Poors.

In September 2019, the Town issued \$7,270,000 in general obligation bonds to fund school energy projects, Jones Crossing Bridge Replacement and road work. Interest rates range from 2.000% to 5.000% and will be repaid over the next 20 years.

The State limits the amount of general obligation debt that cities can issue based on a formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below the state-imposed limit.

Other obligations include landfill post closure liability, and accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 8 to 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 2021 budget tax rates. The relatively low ratio of commercial to residential property places a high burden on the residential taxpayer. Opportunities to relieve this burden through the implementation of fees or the application for grant monies are always pursued.

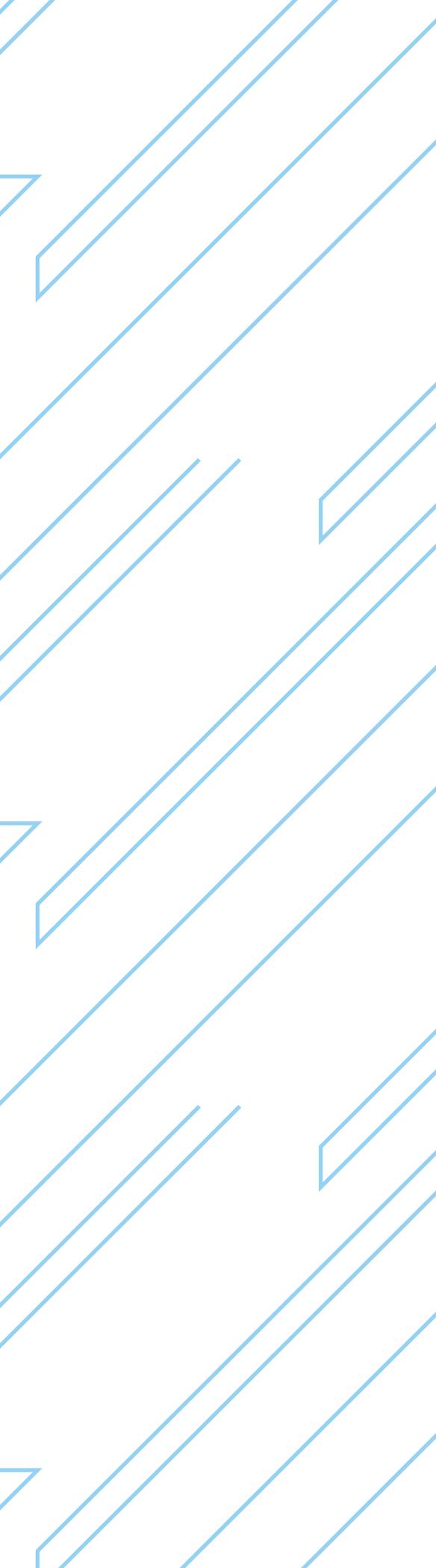
During the budget process the Town Council considered the uncertainty of State aid to municipalities, an improving real estate market, the low interest rate environment, and general taxpayer sentiment when adopting the General Fund budget for 2020-2021. Additional consideration was given due to economic circumstances relating to the COVID 19 pandemic. The final proposed budget had a 2.37% increase for General Government, a 1.23% increase for Education, a decrease of 28.76% in Capital expenditures and a 1.48% decrease for Debt Service. The adopted budget General Fund budget is \$41,608,025, a total increase of 0.64% from the original fiscal year 2020 budget.

The property tax revenue increase needed was 0.6% from the previous year to fund this budget. Based on the economic uncertainty we are currently facing, the Council has proposed decreasing the assumed collection from the average collection rate of 98.79% down to 98.00%. This allows the Town to conservatively prepare for any negative impacts in tax collection during the upcoming fiscal year. The mil rate for the Town decreased by 1.03 or 3.2% to 31.17, with grand list growth causing an increase in expected tax revenue. The budget was approved by the Town Council on June 1, 2020.

The Town will use budget revenues to finance programs currently offered. No new programs are proposed. The adopted budget for 2020-2021 includes the use of \$310,000 of unassigned fund balance to offset expenditures. Council policy has established a goal for an unassigned general fund balance of 15% of expenditures. General Fund balance as of June 30, 2020 is 13.63% of the final FY20 budget appropriation.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, Town of Coventry, 1712 Main Street, Coventry, Connecticut, 06238.



Basic Financial Statements

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 12,247,792
Investments	4,108,179
Receivables, net	6,098,957
Inventory	46,037
Prepaid items	52,589
Due from fiduciary funds	2,014
Advance to plan administrator	2,403,065
Capital assets not being depreciated	4,561,128
Capital assets being depreciated, net of accumulated depreciation	112,719,150
Total assets	142,238,911
Deferred Outflows of Resources:	
Deferred outflows related to pensions	2,827,238
Deferred outflows related to OPEB	645,928
Deferred charge on refunding	111,808
Total deferred outflows of resources	3,584,974
Liabilities:	
Accounts payable and accrued liabilities	2,136,965
Unearned revenue	241,703
Noncurrent liabilities:	
Due within one year	2,269,199
Due in more than one year	34,104,181
Total liabilities	38,752,048
Deferred Inflows of Resources:	
Deferred inflows related to pensions	142,904
Deferred inflows related to OPEB	2,214,150
Total deferred inflows of resources	2,357,054
Net Position:	
Net investment in capital assets	102,155,249
Restricted for:	
Trust purposes - nonexpendable	13,595
Trust purposes - expendable	19,963
Unrestricted	2,525,976
Total Net Position	\$ 104,714,783

The accompanying notes are an integral part of the financial statements

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 3,105,940	\$ 577,709	\$ 42,868	\$ 4,615	\$ (2,480,748)
Public safety	4,640,962	475,691	19,644		(4,145,627)
Public works	7,434,460	1,656,790	1,601	1,536,034	(4,240,035)
Human services	626,509	105,072	120,051		(401,386)
Culture and recreation	1,235,934	314,776	14,492		(906,666)
Education	37,365,051	748,988	15,784,503	96,384	(20,735,176)
Interest on long-term debt	648,600				(648,600)
Total	\$ 55,057,456	\$ 3,879,026	\$ 15,983,159	\$ 1,637,033	(33,558,238)
General revenues:					
Property taxes					31,921,565
Grants and contributions not restricted to specific programs					72,194
Unrestricted investment earnings					231,437
Total general revenues					<u>32,225,196</u>
Change in net position					(1,333,042)
Net Position at Beginning of Year					<u>106,047,825</u>
Net Position at End of Year					<u>\$ 104,714,783</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF COVENTRY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General</u>	<u>Sewer Assessment</u>	<u>CDBG Grant</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,175,111	\$ 269,282	\$ 14,510	\$ 6,801,101	\$ 2,914,190	\$ 12,174,194
Investments	4,102,350				5,829	4,108,179
Receivables, net	837,404	1,508,378	2,343,006	427,080	961,939	6,077,807
Due from other funds	672,723					672,723
Other	52,589					52,589
Inventories					46,037	46,037
Total Assets	<u>\$ 7,840,177</u>	<u>\$ 1,777,660</u>	<u>\$ 2,357,516</u>	<u>\$ 7,228,181</u>	<u>\$ 3,927,995</u>	<u>\$ 23,131,529</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 916,072		\$ 475	\$ 174,649	\$ 343,935	\$ 1,435,131
Accrued payroll				1,920	101,168	103,088
Due to other funds					276,709	276,709
Unearned revenue	32,633			21,986	187,084	241,703
Total liabilities	<u>948,705</u>	<u>-</u>	<u>475</u>	<u>198,555</u>	<u>908,896</u>	<u>2,056,631</u>
Deferred inflows of resources:						
Unavailable revenue:						
Property taxes	661,584					661,584
Special assessments		1,477,066				1,477,066
Sewer receivable					51,995	51,995
COVRRR receivable					89,313	89,313
Loans receivable			2,343,006			2,343,006
Grants receivable					253,951	253,951
Other receivables					178,746	178,746
Total deferred inflows of resources	<u>661,584</u>	<u>1,477,066</u>	<u>2,343,006</u>	<u>-</u>	<u>574,005</u>	<u>5,055,661</u>
Fund balances:						
Nonspendable	52,589				59,632	112,221
Restricted	14,607	300,594	14,035	5,602,809	408,195	6,340,240
Committed	104,248			1,426,817	2,212,901	3,743,966
Assigned	372,664					372,664
Unassigned	5,685,780				(235,634)	5,450,146
Total fund balances	<u>6,229,888</u>	<u>300,594</u>	<u>14,035</u>	<u>7,029,626</u>	<u>2,445,094</u>	<u>16,019,237</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,840,177</u>	<u>\$ 1,777,660</u>	<u>\$ 2,357,516</u>	<u>\$ 7,228,181</u>	<u>\$ 3,927,995</u>	<u>\$ 23,131,529</u>

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TOWN OF COVENTRY, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

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

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

Fund balances - total governmental funds (Exhibit III)	\$ 16,019,237
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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	\$ 174,516,854	
Less accumulated depreciation	<u>(57,236,576)</u>	
Net capital assets		117,280,278

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

Property tax receivables greater than 60 days	482,350
Interest receivable on property taxes	179,234
Assessments receivable	1,477,066
Sewer use receivable	51,995
Mortgage loans	2,343,006
COVRRRA and other receivables	268,059
Grants receivable	253,951
Deferred outflows related to pensions	2,827,238
Deferred outflows related to OPEB	645,928

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

1,656,345

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Net pension liability	(6,464,563)
Bonds and notes payable	(18,833,779)
Interest payable on bonds and notes	(151,278)
Compensated absences	(1,102,873)
Capital lease	(1,305,179)
Bond premium	(649,412)
Net OPEB Liability	(7,931,299)
Deferred charge on refunding	111,808
Landfill postclosure liability	(86,275)
Deferred inflows related to pensions	(142,904)
Deferred inflows related to OPEB	<u>(2,214,150)</u>

Net Position of Governmental Activities (Exhibit I)

\$ 104,714,783

The accompanying notes are an integral part of the financial statements

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General</u>	<u>Sewer Assessments</u>	<u>CDBG Grant</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 31,831,641	\$	\$	\$	\$	\$ 31,831,641
Intergovernmental	12,911,759		77,960	498,578	1,737,772	15,226,069
Charges for services	591,517	378,716	43,107		3,110,589	4,123,929
Investment earnings	89,793	1,901		26,591	91,787	210,072
Miscellaneous				384,665	38,195	422,860
Total revenues	<u>45,424,710</u>	<u>380,617</u>	<u>121,067</u>	<u>909,834</u>	<u>4,978,343</u>	<u>51,814,571</u>
Expenditures:						
Current:						
General government	1,748,377				34,851	1,783,228
Public safety	2,501,932				589,904	3,091,836
Public works	2,434,995				2,083,580	4,518,575
Human services	275,628		207,915		28,062	511,605
Culture and recreation	583,849				528,273	1,112,122
Insurance and sundry	2,220,460					2,220,460
Education	31,795,150			38,661	1,819,561	33,653,372
Debt service	2,813,266			44,462		2,857,728
Capital outlay				3,601,857	447,028	4,048,885
Total expenditures	<u>44,373,657</u>	<u>-</u>	<u>207,915</u>	<u>3,684,980</u>	<u>5,531,259</u>	<u>53,797,811</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,051,053</u>	<u>380,617</u>	<u>(86,848)</u>	<u>(2,775,146)</u>	<u>(552,916)</u>	<u>(1,983,240)</u>
Other Financing Sources (Uses):						
Issuance of bonds				7,270,000		7,270,000
Bond premium				244,660		244,660
Issuance of capital lease				370,000		370,000
Transfers in	574,899	55,000		1,306,459	165,700	2,102,058
Transfers out	<u>(1,472,159)</u>	<u>(519,844)</u>		<u>(35,055)</u>	<u>(75,000)</u>	<u>(2,102,058)</u>
Total other financing sources (uses)	<u>(897,260)</u>	<u>(464,844)</u>	<u>-</u>	<u>9,156,064</u>	<u>90,700</u>	<u>7,884,660</u>
Net Change in Fund Balances	153,793	(84,227)	(86,848)	6,380,918	(462,216)	5,901,420
Fund Balances at Beginning of Year	<u>6,076,095</u>	<u>384,821</u>	<u>100,883</u>	<u>648,708</u>	<u>2,907,310</u>	<u>10,117,817</u>
Fund Balances at End of Year	<u>\$ 6,229,888</u>	<u>\$ 300,594</u>	<u>\$ 14,035</u>	<u>\$ 7,029,626</u>	<u>\$ 2,445,094</u>	<u>\$ 16,019,237</u>

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**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 5,901,420
---------------------------------------------------------------------	--------------

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	3,237,079
Depreciation expense	(3,017,603)

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.	(31,296)
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Change in deferred outflows related to pensions	1,108,262
Change in deferred outflows related to OPEB	337,174

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, interest and lien revenue - accrual basis change	89,924
Sewer use and assessment receivable - accrual basis change	(367,856)
Loans and other receivables - accrual basis change	61,965
Amortization of bond premiums	68,046
COVRRRA and other receivables	24,981
Grants receivable	253,951

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 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and note principal payments	1,854,237
Bond issuance	(7,270,000)
Premiums on bond issuance	(244,660)
Capital lease payments	357,878
Capital lease financing	(370,000)

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 the governmental funds:

Compensated absences	(60,618)
Accrued interest	(53,684)
Amortization of deferred charge on refunding	(17,349)
Net other post employment benefit expense	(828,317)
Net pension expense	(2,030,701)
Change in deferred inflows related to pensions	38,062
Change in deferred inflows related to OPEB	287,543
Landfill postclosure care	18,925

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	<u>(680,405)</u>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (1,333,042)</u>
----------------------------------------------------------------	-----------------------

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Governmental Activities Internal Service Funds</u>
Current Assets:	
Cash and cash equivalents	\$ 73,598
Accounts receivable	21,150
Advance to plan administrator	<u>2,403,065</u>
Total assets	<u>2,497,813</u>
Current Liabilities:	
Claims payable	447,468
Due to other funds	<u>394,000</u>
Total liabilities	<u>841,468</u>
Net Position:	
Unrestricted	\$ <u><u>1,656,345</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Governmental Activities <u>Internal Service Funds</u>
Operating Revenues:	
Employer contributions	\$ 4,384,291
Employee contributions	<u>1,132,399</u>
Total operating revenues	<u>5,516,690</u>
Operating Expenses:	
Administrative expense	624,608
Employee benefits	<u>5,593,852</u>
Total operating expenses	<u>6,218,460</u>
Operating Income (Loss)	(701,770)
Nonoperating Revenue:	
Investment income	<u>21,365</u>
Change in Net Position	(680,405)
Net Position at Beginning of Year	<u>2,336,750</u>
Net Position at End of Year	<u>\$ 1,656,345</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Governmental Activities Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash received from users	\$ 5,531,399
Cash payments to providers of benefits	<u>(5,530,150)</u>
Net cash provided by (used in) operating activities	1,249
Cash Flows from Investing Activities:	
Investment income	<u>21,365</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,614
Cash and Cash Equivalents at Beginning of Year	<u>50,984</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 73,598</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ (701,770)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
(Increase) decrease in accounts receivable	14,709
(Increase) decrease in advance to plan administrator	706,567
Increase (decrease) in claims payable	<u>(18,257)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,249</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 3,821	\$ 439,503
Mutual funds	8,921,946	
Guaranteed investment contracts	<u>5,260,625</u>	
Total Assets	14,186,392	<u>\$ 439,503</u>
Liabilities:		
Due to other funds	2,014	
Accounts payable	4,606	
Due to others	<u> </u>	<u>\$ 439,503</u>
Total Liabilities	<u>6,620</u>	<u>\$ 439,503</u>
Net Position:		
Net Position Restricted for Pensions	<u>\$ 14,179,772</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF COVENTRY, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Pension Trust Fund
Additions:	
Contributions:	
Employer	\$ 678,722
Plan members	259,747
Total contributions	<u>938,469</u>
Investment income:	
Change in fair value of investments	(662,477)
Investment expense	(50,453)
Net investment income	<u>(712,930)</u>
Total additions	<u>225,539</u>
Deductions:	
Benefits	1,257,720
Administration	41,282
Total deductions	<u>1,299,002</u>
Change in Net Position	(1,073,463)
Net Position at Beginning of Year	<u>15,253,235</u>
Net Position at End of Year	<u>\$ 14,179,772</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1712 and operates under a Council/Manager form of government adopted by Charter in 1967. The seven-member Town Council is the legislative body responsible for enacting ordinances, budget preparation and establishing a property tax mill rate. The Town Manager serves as the Chief Executive Officer in charge of the daily operation of the Town organization in accordance with Council policy and regulation. A seven-member Board of Education, a separately elected body, is responsible for the educational policy of the Coventry Public School system.

The Town provides the following services: general government, public safety, public works, human services, culture and recreation, and education.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

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

The Town reports the following major governmental funds:

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

The *Sewer Assessment Fund* accounts for the extension and maintenance of sewer lines. The major source of revenue for this fund is sewer assessment charges.

The *CDBG Grant Fund* accounts for the Community Development Block Grant program grants and loans. The major sources of revenue for this fund are capital grants and repayments on loans.

The *Capital Projects Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. The major sources of financing for this fund are the issuance of general obligation bonds and capital grants.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for the self-insured activities of the Town.

The *Pension Trust Fund* accounts for resources held in trust for the members and beneficiaries of the Town of Coventry Retirement System.

The *Agency Funds* account for resources held by the Town in a purely custodial capacity. The Town maintains two agency funds, the School Activities Fund and the Escrow Deposit Fund.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the 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 property taxes.

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

D. Deposits and Investments

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All property tax receivables are shown net of an allowance for uncollectibles. An amount of \$117,889 has been established as an allowance for uncollectible taxes. At June 30, 2020, this represents 16.45% of all property taxes receivable.

Property taxes become an enforceable lien and are assessed on property as of October 1; however, the legal right to attach property does not exist until July 1. Property assessments are made at 70% of the market value. Real estate taxes are billed on July 1 and are payable in semiannual installments on July 1 and January 1. Personal property and motor vehicle taxes are billed and due July 1, and motor vehicle supplement taxes are billed and due January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Upon completion of projects, sewer assessments are levied and assessed to the users each October. Usage charges are billed in May and November. Assessments and user charges are due and payable within 30 days, and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

F. Inventories and Prepaid Items

Inventories are reported at cost using the first-in first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

G. Capital Assets

Capital assets, which include property, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 for land, \$5,000 for furniture and equipment, and \$100,000 for infrastructure. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-50
System infrastructure	40-75
Furniture and equipment	3-20

H. Deferred Outflows/Inflows of Resources

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

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments, sewer receivables, COVRRRA receivables, grant receivables, other receivables 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.

I. Compensated Absences

Town and Board of Education employees earn vacation and sick time based upon years of service and the terms of various union contracts.

All compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources.

J. Net Pension Liability

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

K. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

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

L. Long-Term Obligations

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

M. Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

Net position is restricted by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

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

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 Coventry Town Council). The Town Council may commit resources, when a member puts forth a resolution and this resolution is passed by the Council, prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned Fund Balance

This represents amounts constrained for the intent to be used for a specific purpose by the Town Manager who has been delegated authority to assign amounts by ordinance within the Town Charter.

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.

The Town has a minimum fund balance policy that establishes a goal for unassigned fund balance in the General Fund at 15% of the General Fund expenditures.

N. Use of Estimates

The preparation of the 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

O. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and recognition in the financial statements through December 8, 2020, which is the date when the financial statements were available to be issued.

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 financial statements:

- The Town Manager prepares an operating, capital and debt service budget from information provided by various Town departments. The Board of Education also prepares an operating budget. The budget includes the proposed expenditures and the means to finance them.
- These budgets are presented at a public hearing before being amended and adopted by the Town Council. The Council's operating or General Fund budget is submitted to a Town meeting that approves, rejects or reduces the budget, which is subsequently adjourned to a referendum for ratification.
- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established by function and department. Upon request, the Town Council may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another. No transfer shall be made from any appropriations for debt service and other statutory charges. Transfers between line items within a department may be made with the approval of the Town Manager.
- The Town Council can make additional appropriations, subject to fund balance availability and other restrictions, up to 1.5% of the current year's property tax levy. Additional appropriations can be made when unanticipated revenue is made available for specific purposes. Additional appropriations during the year were \$367,798 from fund balance. All additional appropriations were made in accordance with Charter provisions.
- Appropriations not encumbered at the end of the fiscal year lapse. Encumbrances for capital additions lapse at the end of three years (if there is no activity), and all other encumbrances lapse at the end of one year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

- The General Fund budget is prepared on a modified accrual basis of accounting except for encumbrances, which 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. Encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. Additionally, the Town does not budget for revenues or expenditures associated with pension contributions made by the State of Connecticut on behalf of Town of Coventry teachers or for expenditures reimbursed by the State of Connecticut for excess costs related to certain special education students.

B. Deficit Fund Equity

The Miscellaneous grants fund, a nonmajor governmental fund, had a fund deficit of \$235,634 as of June 30, 2020. This deficit will be eliminated in future years by the receipt of grant revenue.

3. 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 Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

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

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

A. Deposits

Deposit Custodial Credit Risk

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$6,873,945 of the Town’s bank balance of \$11,467,252 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 6,060,111
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name	<u>813,834</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 6,873,945</u></u>

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

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, 2020, the Town’s cash equivalents amounted to \$4,616,913. The following table provides a 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 Short-Term Investment Fund (STIF)	AAAm

B. Investments

Investments as of June 30, 2020 in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Other investments:	
Mutual funds	\$ 9,738,933
Common stock	5,829
Certificates of deposit	3,285,363
Guaranteed investment contracts	<u>5,260,625</u>
Total Investments	<u><u>\$ 18,290,750</u></u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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, 2020:

	<u>June 30, 2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Common stock	\$ 5,829	\$ 5,829	\$	\$
Mutual funds	<u>9,738,933</u>	<u>9,738,933</u>		
Total investments by fair value level	9,744,762	<u>\$ 9,744,762</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value:				
Guaranteed investment contracts	<u>5,260,625</u>			
Certificates of deposit	<u>3,285,363</u>			
Total Investments Measured at Fair Value	\$ <u>18,290,750</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.

Guaranteed Investment Contracts

The Town has entered into a guaranteed investment contract with Brighthouse Life Insurance Company (Brighthouse). Brighthouse maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Brighthouse is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Town. Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for the guaranteed investment contract. The guaranteed investment contract is presented on the face of the statements of net position at contract value. Contract value, as reported to the Town by Brighthouse, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract is a traditional investment contract. The crediting interest rate is based on a formula agreed upon with the issuer. Such interest rates are reviewed on an annual basis for resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date. There are no unfunded commitments under the contract. The contract allows redemption at any time with no notice.

Interest Rate Risk

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities and towns. The Town's investment policy provides investment guidelines and lists prohibited investments.

Concentration of Credit Risk

The Town's investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2020, the Town had \$5,829 in uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

Receivables as of year end for the Town's individual major funds, and nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Sewer Assessment</u>	<u>CDBG Grant</u>	<u>Capital Projects</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:						
Interest	\$ 339,375	\$	\$	\$	\$	\$ 339,375
Taxes	716,592					716,592
Accounts	53,258			215,030	451,100	719,388
Intergovernmental	6,209			212,050	531,989	750,248
Special assessments		1,508,378				1,508,378
Loans			<u>2,343,006</u>			<u>2,343,006</u>
Gross receivables	<u>1,115,434</u>	<u>1,508,378</u>	<u>2,343,006</u>	<u>427,080</u>	<u>983,089</u>	<u>6,376,987</u>
Less allowance for uncollectibles:						
Taxes	(117,889)					(117,889)
Delinquent interest	<u>(160,141)</u>					<u>(160,141)</u>
Net Total Receivables	<u>\$ 837,404</u>	<u>\$ 1,508,378</u>	<u>\$ 2,343,006</u>	<u>\$ 427,080</u>	<u>\$ 983,089</u>	<u>\$ 6,098,957</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,594,289	\$	\$	\$ 3,594,289
Construction in progress	435,782	1,751,178	(1,220,121)	966,839
Total capital assets not being depreciated	<u>4,030,071</u>	<u>1,751,178</u>	<u>(1,220,121)</u>	<u>4,561,128</u>
Capital assets being depreciated:				
Buildings	52,850,612	574,548		53,425,160
Improvements other than buildings	3,451,688			3,451,688
Furniture and equipment	10,001,106	610,389	(157,934)	10,453,561
Infrastructure	101,104,232	1,521,085		102,625,317
Total capital assets being depreciated	<u>167,407,638</u>	<u>2,706,022</u>	<u>(157,934)</u>	<u>169,955,726</u>
Less accumulated depreciation for:				
Buildings	(17,466,016)	(814,874)		(18,280,890)
Improvements other than buildings	(570,124)	(115,966)		(686,090)
Furniture and equipment	(4,384,784)	(555,206)	126,638	(4,813,352)
Infrastructure	(31,924,687)	(1,531,557)		(33,456,244)
Total accumulated depreciation	<u>(54,345,611)</u>	<u>(3,017,603)</u>	<u>126,638</u>	<u>(57,236,576)</u>
Total capital assets being depreciated, net	<u>113,062,027</u>	<u>(311,581)</u>	<u>(31,296)</u>	<u>112,719,150</u>
Governmental Activities Capital Assets, Net	<u>\$ 117,092,098</u>	<u>\$ 1,439,597</u>	<u>\$ (1,251,417)</u>	<u>\$ 117,280,278</u>

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

Governmental Activities:	
General government	\$ 30,641
Public safety	255,576
Public works	2,029,024
Human services	5,278
Culture and recreation	80,799
Education	<u>616,285</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 3,017,603</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

6. FUND BALANCES

The components of fund balances for the governmental funds at June 30, 2020 are as follows:

	<u>Major Funds</u>				<u>Nonmajor Governmental Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Sewer Assessments</u>	<u>CDBG Grant</u>	<u>Capital Projects</u>		
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 46,037	\$ 46,037
Prepaid items	52,589					52,589
Permanent fund principal					13,595	13,595
Restricted for:						
Capital projects				5,602,809		5,602,809
Unspent grant balances			14,035		212,102	226,137
Debt repayments		300,594			133,720	434,314
Other	14,607				62,373	76,980
Committed to:						
Capital projects	4,249			1,426,817	386,134	1,817,200
Public Safety					30,484	30,484
Public Works					1,179,025	1,179,025
Recreation					45,527	45,527
BOE Covid Costs	99,999					99,999
Farmer's Market					52,069	52,069
Education					519,662	519,662
Assigned to:						
General government	64,100					64,100
Public safety	29,959					29,959
Public works	89,712					89,712
Human services	340					340
Insurance and sundry	5,485					5,485
Education	176,276					176,276
Capital outlays	6,792					6,792
Unassigned	5,685,780				(235,634)	5,450,146
Total Fund Balances	\$ 6,229,888	\$ 300,594	\$ 14,035	\$ 7,029,626	\$ 2,445,094	\$ 16,019,237

Encumbrances of \$372,664, \$1,379,394 and \$269,731 at June 30, 2020 are contained in the above table in the assigned category of the General Fund, the restricted and committed categories of the Capital Projects Fund, and the restricted and committed categories of the Nonmajor Governmental Funds, respectively.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2020, the Internal Service Fund, the Pension Trust Fund and the Nonmajor Governmental Funds owed the General Fund \$394,000, \$2,014 and \$276,709, respectively, which resulted from regularly recurring transactions and represented a temporary balance.

Interfund transfers for the year ended June 30, 2020 consisted of the following:

	Transfers In				Total
	General Fund	Capital Projects	Nonmajor Governmental	Sewer Assessment	
Transfers out:					
General Fund	\$	\$ 1,306,459	\$ 165,700	\$	\$ 1,472,159
Sewer Assessment	519,844				519,844
Capital Projects Fund	35,055				35,055
Nonmajor Governmental Funds	20,000			55,000	75,000
	<u>\$ 574,899</u>	<u>\$ 1,306,459</u>	<u>\$ 165,700</u>	<u>\$ 55,000</u>	<u>\$ 2,102,058</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

8. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and loans payable:					
General obligation bonds	\$ 9,345,000	\$ 7,270,000	\$ 1,380,000	\$ 15,235,000	\$ 1,380,000
Premium on issuance	472,798	244,660	68,046	649,412	
Loans payable - Clean Water Fund	4,073,016		474,237	3,598,779	483,809
	<u>13,890,814</u>	<u>7,514,660</u>	<u>1,922,283</u>	<u>19,483,191</u>	<u>1,863,809</u>
Other liabilities:					
Capital leases	1,293,057	370,000	357,878	1,305,179	318,874
Landfill postclosure	105,200		18,925	86,275	18,925
Total OPEB liability	7,102,982	828,317		7,931,299	
Net pension liability	4,433,862	2,030,701		6,464,563	
Compensated absences	1,042,255	163,714	103,096	1,102,873	67,591
	<u>13,890,814</u>	<u>7,514,660</u>	<u>1,922,283</u>	<u>19,483,191</u>	<u>1,863,809</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 27,868,170</u>	<u>\$ 10,907,392</u>	<u>\$ 2,402,182</u>	<u>\$ 36,373,380</u>	<u>\$ 2,269,199</u>

General obligation bonds allocable to sewer projects are secured by the full faith and credit of the Town but are substantially liquidated by sewer assessments. The remaining liabilities above have typically been liquidated by the General Fund.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2020 is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2020</u>
2002 Refunding Bonds	12/1/2002	2022	3.25%-4.9%	\$ 1,350,000	\$ 60,000
2015 Refunding School Asbestos GO	3/24/2015	2025	2.34%	465,000	154,000
2015 Refunding Water System GO	3/24/2015	2025	2.00%	455,000	154,000
2015 Refunding Parker Bridge GO	3/24/2015	2025	2.34%	215,000	71,000
2015 Refunding General Obligation	3/24/2015	2025	2.00%	100,000	36,000
2010 Refunding Bonds Series A	2/9/2010	2025	1%-3.5%	2,500,000	155,000
2010 Refunding Bonds Series B	2/9/2010	2025	2-4%	2,605,000	665,000
2010 Refunding Bonds Series B	2/9/2010	2025	2-4%	1,200,000	445,000
2015 Refunding PW garage GO	3/24/2015	2031	2.34%	3,350,000	1,687,000
2015 Refunding School Roof GO	3/24/2015	2031	3.55%	1,600,000	848,000
2015 Refunding NCFD GO	3/24/2015	2032	2.88%	1,675,000	1,045,000
2016 Road Bonds	3/1/2016	2036	2.41%	3,000,000	2,660,000
2016 Pucker Street Bridge	3/1/2016	2036	2.41%	400,000	350,000
2020 Road Bond	9/16/2019	2038	2.00-5.00%	4,000,000	3,800,000
2020 School Building Energy Efficiency Bond	9/16/2019	2038	2.00-5.00%	2,570,000	2,440,000
2020 Jones Crossing Bond	9/16/2019	2038	2.00-5.00%	700,000	665,000
					<u>\$ 15,235,000</u>

Bonds and Notes Payable

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2020:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,380,000	\$ 477,694	\$ 1,857,694
2022	1,220,000	427,991	1,647,991
2023	1,190,000	380,521	1,570,521
2024	1,190,000	337,596	1,527,596
2025	1,020,000	295,946	1,315,946
2026-2030	4,470,000	968,725	5,438,725
2031-2035	3,140,000	417,446	3,557,446
2036-2039	1,625,000	94,201	1,719,201
	<u>\$ 15,235,000</u>	<u>\$ 3,400,120</u>	<u>\$ 18,635,120</u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Clean Water Fund Loan Payable

The Town is currently participating in the State of Connecticut Clean Water Fund Loan program. The loan matures on June 30, 2027, has an outstanding balance as of June 30, 2020 of \$3,598,779 and is payable monthly with interest at 2%.

Annual debt service requirements to maturity on Clean Water Fund loans are as follows as of June 30, 2020:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 483,809	\$ 67,557	\$ 551,366
2022	493,575	57,791	551,366
2023	503,537	47,829	551,366
2024	513,701	37,665	551,366
2025	524,070	27,297	551,367
2026-2027	<u>1,080,087</u>	<u>22,645</u>	<u>1,102,732</u>
	<u>\$ 3,598,779</u>	<u>\$ 260,784</u>	<u>\$ 3,859,563</u>

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 70,745,398	\$ 10,819,000	\$ 59,926,398
Schools	141,490,796	4,846,000	136,644,796
Sewers	117,908,996	2,182,000	115,726,996
Urban renewal	102,187,797		102,187,797
Pension deficit	94,327,197		94,327,197

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$220,096,793.

Amounts above do not include \$238,000 of Water System Improvement bonds issued, which are excluded from the Town's statutory debt limit pursuant to Connecticut General Statutes.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Bond Authorizations

At June 30, 2020, debt authorized but unissued is as follows:

<u>Project</u>	<u>Appropriation/ Authorization</u>	<u>Prior Bonds Issued</u>	<u>Paydown Grants Expected/ Received</u>	<u>Authorized But Unissued Debt</u>
Sewers				
Wangumbaug Lake Sewer Extension	\$ 17,800,000	\$ 9,815,810	\$ 7,892,591	\$ 91,599
Schools				
Energy Efficiency and Code Work	3,000,000	2,570,000	-	430,000

Capital Leases

A summary of assets acquired through capital leases is as follows as of June 30, 2020:

	<u>Governmental Activities</u>
Machinery and equipment	\$ 2,846,695
Less accumulated amortization	<u>(527,580)</u>
	<u>\$ 2,319,115</u>

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2021	\$ 352,168
2022	352,170
2023	287,172
2024	156,219
2025	111,244
Thereafter	<u>150,149</u>
Total minimum lease payments	1,409,122
Less amount representing interest	<u>(103,943)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,305,179</u>

Landfill Postclosure

State and federal laws and regulations require the Town to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The Town's landfill has stopped accepting waste, closure has been completed and monitoring is continuing. The remaining postclosure costs are estimated to be \$86,275 over the next 5 years. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Town pays for the costs of monitoring on an ongoing basis through the COVRRRA Fund.

9. PENSION PLANS

A. Defined Benefit Plan

Plan Description

The Town of Coventry Employee Retirement System (CERS or the Plan) is a single-employer retirement system established and administered by the Town to provide pension benefits to substantially all Town and Board of Education employees, except for professional employees of the Board of Education who are covered under the State of Connecticut Teachers Retirement System. The CERS is a defined benefit plan. The CERS is considered to be a part of the Town's financial reporting entity and is included in the Town's basic financial statements as a pension trust fund. Contribution provisions and benefit provisions of the CERS are established by and can be amended by the Town Council subject to ratification of various bargaining units. A separate stand-alone financial report for the CERS is not issued by the Town.

Management of the plan rests with the Pension Committee, which consists of no fewer than three, nor more than five, members all appointed by the Town Council.

All employees except for sworn officers of the police department are included as participants in the Plan on the first July 1 following the attainment of age 21 and the completion of two years of service. Sworn officers of the police department are included on their dates of hire. No employees are included before the effective date. Police and nonunion employees are vested 100% after 5 years, and all other employees are vested after 10 years.

Benefits are calculated on a percentage of earnings times years of service. The percentage varies by group. The Plan also provides for early retirement, deferred retirement and disability retirement. Participants have a nonforfeitable right to accrued benefits at the date of termination of employment, provided that they have completed the years required for 100% vesting. Normal retirement age varies from 45 to 65 based on the bargaining unit.

The accrued benefit is paid in the form of a monthly life annuity. Benefits will be actuarially adjusted to reflect any other form of annuity payable. Administrative costs for the plan are paid from the plan investment earnings.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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The membership of the Plan consisted of the following at July 1, 2019:

Retired members	47
Terminated plan members entitled to but not yet receiving benefits	26
Active plan members	<u>146</u>
 Total	 <u><u>219</u></u>

Summary of Significant Accounting Policies

Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which employee services are performed. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

All 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.

Investments

Investment Policy

The Pension Committee recommended the adoption of an investment policy to the Town Council. The current policy was adopted in August 2007. The goals of the policy are to create a framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the Town. The following was the adopted asset allocation as of July 1, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Large Cap	6.36%
U.S. Large Cap Value	6.48%
U.S. Small Value	6.60%
U.S. Micro Cap	6.60%
International Large	9.30%
International Small	8.70%
Emerging Large	7.56%
Emerging Small	4.68%
U.S. REITS	1.80%
International REITS	1.80%
Fixed Income (Metlife)	40.00%
Cash	<u>0.12%</u>
 Total	 <u><u>100.00%</u></u>

Concentrations

The pension plan held fixed income investments of \$5,260,625 with Metlife representing 5% or more of the pension trust fund's fiduciary net position as of June 30, 2020.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.67%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total pension liability	\$	20,644,335
Plan fiduciary net position		<u>14,179,772</u>
Net Pension Liability	\$	<u><u>6,464,563</u></u>
Plan fiduciary net position as a percentage of the total pension liability		68.69%

Actuarial Assumptions

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

Inflation	2.6%
Salary increases	3.0%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on standard tables adjusted for certain plan features.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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 the July 1, 2019 valuation (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap	5.50%
U.S. Large Cap Value	5.75%
U.S. Small Value	6.25%
U.S. Micro Cap	7.00%
International Large	6.25%
International Small	6.75%
Emerging Large	8.00%
Emerging Small	8.25%
U.S. REITS	6.25%
International REITS	6.75%
Fixed Income (Metlife)	3.50%
Cash	1.00%

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2019	\$ 19,687,097	\$ 15,253,235	\$ 4,433,862
Changes for the year:			
Service cost	558,327		558,327
Interest on total pension liability	1,472,095		1,472,095
Differences between expected and actual experience	(18,778)		(18,778)
Changes in assumptions	203,314		203,314
Employer contributions		678,722	(678,722)
Member contributions		259,747	(259,747)
Net investment income		(712,930)	712,930
Benefit payments, including refund to employee contributions	(1,257,720)	(1,257,720)	-
Administrative expenses		(41,282)	41,282
Net changes	<u>957,238</u>	<u>(1,073,463)</u>	<u>2,030,701</u>
Balances as of June 30, 2020	<u>\$ 20,644,335</u>	<u>\$ 14,179,772</u>	<u>\$ 6,464,563</u>

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

The following presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 7,731,404	\$ 6,464,563	\$ 5,349,846

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

For the year ended June 30, 2020, the Town recognized pension expense of \$1,563,100. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 436,146	\$ 81,510
Changes of assumptions	331,889	61,394
Net difference between projected and actual earning on pension plan investments	<u>2,059,203</u>	<u> </u>
Total	<u>\$ 2,827,238</u>	<u>\$ 142,904</u>

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

Year Ending June 30

2021	\$ 680,766
2022	780,905
2023	746,083
2024	440,864
2025	29,764
Thereafter	5,952

Funding Policy

The Town's funding policy provides for periodic contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal costs of the Plan was determined using the projected unit credit method. Town employees contribute a % of payroll equal to one half of the normal cost, adjusted annually, not to exceed 4%, except for police employees who are required to contribute a rate equal to 7.0% for police of covered payroll. For the year ended June 30, 2020, the Town contributed \$678,722 to the Plan.

B. Connecticut Teachers Retirement System - Pension

Plan Description

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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.

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$4,107,502 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

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

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

At June 30, 2020, 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>54,264,077</u>
Total	<u>\$ 54,264,077</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$6,664,554 in Exhibit II.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

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

Asset Class	Expected Return	Target Allocation	Standard Deviation
Public Equity - US Equity	8.10 %	20.00 %	17.00 %
Public Equity - International Developed Equity	8.50	11.00	19.00
Public Equity - Emerging Markets Equity	10.40	9.00	24.00
Fixed Income - Core Fixed Income	4.60	16.00	7.00
Fixed Income - Inflation Linked Bonds	3.60	5.00	7.00
Fixed Income - High Yield	6.50	6.00	11.00
Fixed Income - Emerging Market Debt	5.20	5.00	11.00
Private Equity	9.80	10.00	23.00
Real Estate	7.00	10.00	15.00
Alternative Investments - Real Assets	8.20	4.00	17.00
Alternative Investments - Hedge Funds	5.40	3.00	7.00
Liquidity Fund	2.90	1.00	1.00
Total		<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**TOWN OF COVENTRY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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.

10. OTHER POST EMPLOYMENT BENEFITS

A. Other Post Employment Benefits - Town of Coventry

Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses, under a single employer plan. The Post-Retirement Medical Program (RMP) covers Town and Board of Education employees. All Town of Coventry employees are eligible to purchase medical insurance. The benefits include individual, two-person or family coverage under the Blue Cross Health Plan (or equivalent), including hospitalization, surgical, prescriptions, dental and major medical. Employees who choose to participate must pay the full premium cost. Board of Education employees may also purchase life insurance at the full premium cost. Spouses can continue coverage after the retiree’s death. The Town OPEB plan is administered by the Town. The Town does not issue a separate stand-alone financial statement for this program.

Membership in the plan consisted of the following at July 1, 2018.

Inactive employees currently receiving benefit payments	24
Active employees	<u>367</u>
Total	<u><u>391</u></u>

Funding Policy

The Town funding and payment of post employment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with post employment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of post employment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town’s funding strategy for post employment obligations are based upon characteristics of benefits on four distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

Teachers

- Eligible for Medical, Dental and Life Coverage if age 50 with 25 years of service or age 55 with 20 years of service or age 60 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree’s death.

**TOWN OF COVENTRY, CONNECTICUT
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Police

- Eligible for Medical and Dental Coverage if age 45 and 20 years for Sworn Police, and rule of 85 for nonsworn employees.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

Town Employees (non-Police)

- Eligible for Medical and Dental Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

Board of Education (other than Teachers)

- Eligible for Dental and Life Coverage if age 62 with 10 years of service.
- Retirees pay full cost of insurance and spouse can continue coverage after retiree's death.

Total OPEB Liability

The Town's total OPEB liability of \$7,931,299 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.70%
Salary increases	Graded by service for Teachers and Administrators, 3.00% for all others
Discount rate	2.21%
Healthcare cost trend rates	5.64% for 2018, decreasing to an ultimate rate of 4.40% after 65 years
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees for all except Town Manager, whose benefits will be discounted 2.25% per year of service not to exceed 75% discount.

The discount rate was based on the 20-year tax-exempt municipal bond yield.

Mortality rates for Teachers and Administrators were based on RP-2000 Combined Healthy Mortality Table for Males or Females, projected forward 19 years using Scale AA, with a two-year age setback. All others were based on RP-2000 Combined Healthy Mortality Table for Males or Females, projected forward 19 years using Scale AA.

The actuarial assumptions used in the July 1, 2018 valuation were based on the standard tables modified for certain plan features such as eligibility, where applicable and input from the plan sponsor.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances as of July 1, 2019	\$ <u>7,102,982</u>
Changes for the year:	
Service cost	353,250
Interest on total OPEB liability	257,475
Changes in assumptions or other inputs	418,937
Benefit payments	<u>(201,345)</u>
Net changes	<u>828,317</u>
Balances as of June 30, 2020	\$ <u><u>7,931,299</u></u>

As of June 30, 2020, the Town decreased the discount rate from 3.50% to 2.21%.

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

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

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 9,144,496	\$ 7,931,299	\$ 6,936,385

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

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

	1% Decrease (4.64% Decreasing to 3.40%)	Healthcare Cost Trend Rates (5.64% Decreasing to 4.40%)	1% Increase (6.64% Decreasing to 5.40%)
Total OPEB Liability	\$ 6,641,641	\$ 7,931,299	\$ 9,574,597

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$404,945. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 1,969,040
Changes of assumptions or other inputs	<u>645,928</u>	<u>245,110</u>
Total	<u>\$ 645,928</u>	<u>\$ 2,214,150</u>

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

Year Ending June 30

2021	\$	(205,780)
2022		(205,780)
2023		(205,780)
2024		(205,780)
2025		(205,780)
Thereafter		(539,322)

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

Plan Description

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

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

Benefit Provisions

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

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

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

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

Survivor Health Care Coverage

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

Eligibility

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

Credited Service

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

Normal Retirement

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

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

**TOWN OF COVENTRY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$112,261 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

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

At June 30, 2020, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>8,462,788</u>
Total	\$	<u><u>8,462,788</u></u>

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$(619,278) in Exhibit II.

Actuarial Assumptions

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

Inflation	2.50%
Healthcare costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

**TOWN OF COVENTRY, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

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

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

Other Information

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

11. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors or omissions; injuries to employees or natural disasters. The Town purchases commercial insurance for all risks of loss. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

Dental Insurance Internal Service Fund

The Town’s dental self-insurance fund is used to account for dental insurance coverage for Town employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2019 and 2020 is presented below:

		Claims Payable July 1		Claims and Changes in Estimates		Claims Paid		Claims Payable June 30
2018-2019	\$	-	\$	211,521	\$	211,521	\$	-
2019-2020		-		168,662		168,662		-

Health Insurance Internal Service Fund

The Coventry Health Insurance Fund (the Fund), which has been recorded as an Internal Service Fund, was established to provide medical and dental health coverage for all eligible Town and Board of Education employees. The Fund is substantially funded by the Town’s General Fund based upon estimates for the number of employees and type of coverage (single or family) as well as trends in the costs of coverage and costs of administration. The program’s general objectives are to provide the members of the health insurance program with lower costs for coverage and to develop a systematic method to control health costs through wellness initiatives.

**TOWN OF COVENTRY, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

The Town and Board of Education participate in the Eastern Connecticut Health Insurance Program. This group consists of five entities, the Towns and Boards of Education of Coventry, Tolland, Plainfield and Putnam and also including EASTCONN, a regional educational service center. This partnership is the first in the state of Connecticut and was formed with a goal to reduce costs through collaboration. A third party administers the plan for which the Fund pays a fee. The Fund has purchased individual stop loss coverage of \$175,000 per claim.

The Town’s health self-insurance fund is used to account for medical insurance coverage for Town and Board of Education employees. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the years ended June 30, 2019 and 2020 is presented below:

	<u>Claims Payable July 1</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30</u>
2018-2019	\$ 188,349	\$ 4,970,346	\$ 4,692,970	\$ 465,725
2019-2020	465,725	5,425,190	5,443,447	447,468

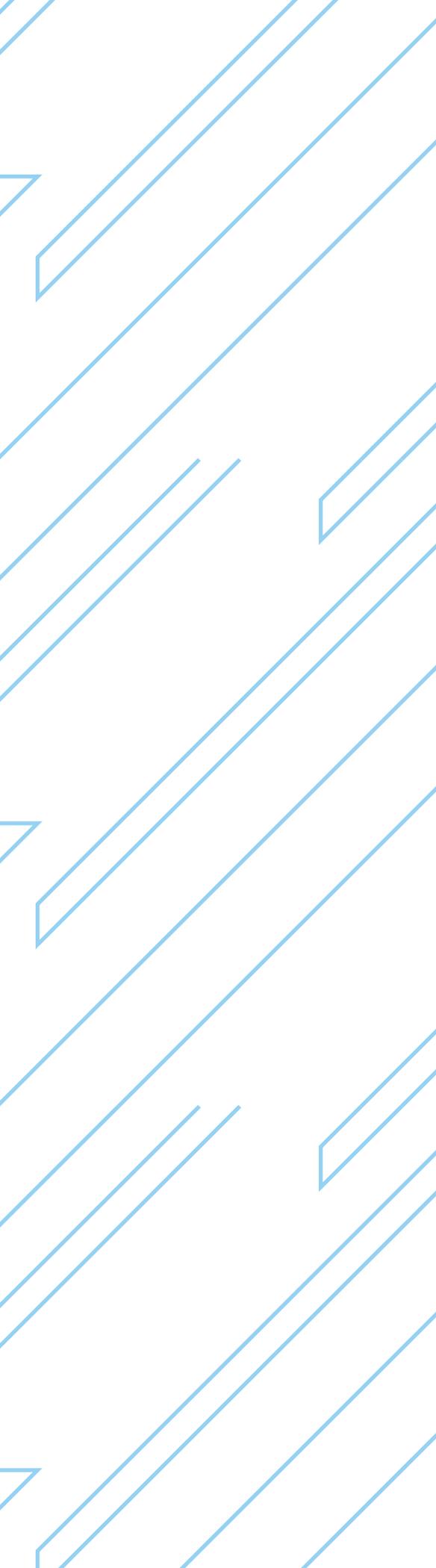
12. COMMITMENTS AND CONTINGENCIES

The Town is currently a defendant in a number of lawsuits. The outcome and eventual liability to the Town, if any, in these matters is not known at this time. The Town’s management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

13. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town’s health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.



Required Supplementary Information

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Property Taxes:				
Current taxes	\$ 31,139,484	\$ 31,139,484	\$ 30,957,567	\$ (181,917)
Delinquent taxes	260,000	260,000	334,136	74,136
Interest and penalties	180,000	180,000	180,959	959
Supplemental motor vehicles	325,000	325,000	358,979	33,979
Total property taxes	<u>31,904,484</u>	<u>31,904,484</u>	<u>31,831,641</u>	<u>(72,843)</u>
Intergovernmental:				
General Government:				
Disability exemption	1,800	1,800	1,627	(173)
Grant in lieu of taxes	23,414	23,414	23,414	-
Pequot state property	13,336	13,336	13,336	-
Veterans additional tax relief	7,000	7,000	7,318	318
Emergency Management Performance Grant	6,209	6,209	6,209	-
Telephone access grant	20,000	20,000	15,966	(4,034)
Youth services grant	14,000	14,000	14,401	401
Municipal revenue sharing	10,533	10,533	10,533	-
Municipal assistance grant	113,156	113,156	113,156	-
Total general government	<u>209,448</u>	<u>209,448</u>	<u>205,960</u>	<u>(3,488)</u>
Education:				
Education cost sharing grant	8,102,510	8,102,510	8,056,899	(45,611)
Adult education	10,828	10,828	10,772	(56)
Total education	<u>8,113,338</u>	<u>8,113,338</u>	<u>8,067,671</u>	<u>(45,667)</u>
Investment Earnings	<u>54,000</u>	<u>54,000</u>	<u>89,793</u>	<u>35,793</u>
Local Revenues:				
Housing Authority PILOT	20,000	20,000	41,116	21,116
Finance:				
Insurance reimbursement and claims	27,000	27,000	35,857	8,857
Conveyance tax	125,000	125,000	118,804	(6,196)
Town clerk:				
Office receipts	95,000	95,000	92,951	(2,049)
Assessor:				
Copy charges	500	500	283	(217)

(Continued on next page)

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Development/Planning:				
Zoning permits	\$ 11,000	\$ 11,000	\$ 12,532	\$ 1,532
Planning and zoning			(190)	(190)
Zoning board of appeals			4,482	4,482
Inland wetlands			2,403	2,403
Regulations and maps	1,000	1,000	416	(584)
Permits	100	100	116	16
Building Department:				
Building permits	185,000	185,000	215,189	30,189
Fire inspection	1,500	1,500	1,350	(150)
Blasting permit	50	50	-	(50)
Police Services:				
Warden receipts	1,000	1,000	255	(745)
Dog license	9,300	9,300	7,837	(1,463)
Fingerprinting	1,800	1,800	1,900	100
Local parking fines	300	300	150	(150)
Permits	8,000	8,000	5,075	(2,925)
Other	600	600	2,675	2,075
Municipal surcharge	4,500	4,500	2,430	(2,070)
Miscellaneous:				
Miscellaneous unanticipated			4,479	4,479
Rents	28,800	28,800	31,563	2,763
Total local revenues	<u>520,450</u>	<u>520,450</u>	<u>581,673</u>	<u>61,223</u>
Total revenues	<u>40,801,720</u>	<u>40,801,720</u>	<u>40,776,738</u>	<u>(24,982)</u>
Other Financing Sources:				
Transfers in:				
Use of fund balance		367,798	-	(367,798)
Cancellation of prior year encumbrances			33,554	33,554
Sewer Assessment Fund	519,844	519,844	519,844	-
Police Special Services	20,000	20,000	20,000	-
Total other financing sources	<u>539,844</u>	<u>907,642</u>	<u>573,398</u>	<u>(334,244)</u>
Total Revenues and Other Financing Sources	<u>\$ 41,341,564</u>	<u>\$ 41,709,362</u>	41,350,136	<u>\$ (359,226)</u>
Budgetary revenues are different from GAAP revenues because:				
Cancellation of prior year encumbrances are recognized as budgetary revenue			(33,554)	
The town budgets certain grants directly against expenditure accounts			449,339	
The town budgets certain revenues directly against expenditure accounts			13,925	
State OPEB on-behalf payments			112,261	
State pension on-behalf payments			<u>4,107,502</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>\$ 45,999,609</u>	

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
General Government:				
Town Council	\$ 36,663	\$ 37,258	\$ 37,136	\$ 122
Town Manager	230,424	243,674	243,153	521
Finance Administration	124,895	127,150	125,880	1,270
Accounting	129,325	130,125	129,594	531
Tax Collector	119,850	124,445	123,575	870
Assessor	149,977	150,177	149,107	1,070
Assessment Appeals	1,100	1,100	591	509
Treasurer	23,450	24,505	24,412	93
Information Technology	180,500	238,140	237,907	233
Planning	151,316	154,516	154,422	94
Zoning Board of Appeals	21,760	22,310	22,086	224
Conservation	1,885	6,885	6,424	461
Economic Development	21,255	18,795	18,716	79
Inland Wetlands	77,530	75,890	75,504	386
Planning and Zoning Commission	2,475	1,875	1,029	846
Legal counsel	85,000	96,750	96,737	13
Probate court	8,995	8,995	8,993	2
Recording/licensing	163,893	155,538	154,275	1,263
Elections	63,490	50,800	49,506	1,294
Town Office building	82,500	105,825	104,487	1,338
Central services	41,400	32,230	31,031	1,199
Total general government	<u>1,717,683</u>	<u>1,806,983</u>	<u>1,794,565</u>	<u>12,418</u>
Public Safety:				
Police Administration	294,468	291,478	291,438	40
Police Operations	1,297,128	1,317,209	1,316,327	882
Police supportive services	340,285	338,173	335,617	2,556
Police marine patrol	7,000	5,200	4,243	957
Police station	66,730	67,221	64,736	2,485
Fire Marshal	18,050	15,130	10,941	4,189
Coventry Volunteer Fire Association	38,060	40,100	33,312	6,788
North Coventry Volunteer Fire Department	30,150	36,180	34,521	1,659
N. Coventry substation	6,720	5,900	5,242	658
Joint Fire Budget	384,080	386,850	377,630	9,220
CVFA South Street Substation	13,850	12,250	8,219	4,031
Civil Emergency Preparedness	29,595	28,095	26,439	1,656
Animal Control	74,725	71,980	70,222	1,758
Total public safety	<u>2,600,841</u>	<u>2,615,766</u>	<u>2,578,887</u>	<u>36,879</u>
Public Works:				
Roads and drainage	620,595	606,895	593,581	13,314
Public works building	60,699	69,572	66,145	3,427
Snow removal	316,550	200,300	200,118	182
Facilities maintenance	334,200	328,080	324,074	4,006
Public works administration	244,260	238,635	236,498	2,137
Fleet maintenance	473,080	477,345	450,454	26,891
Street lights	51,000	47,010	46,922	88
Cemetery Commission	25,338	25,338	24,816	522
Tree Warden	52,750	164,300	164,130	170
Facilities - other	8,750	7,860	5,910	1,950
Engineering	87,880	98,515	98,023	492
Building inspection	152,800	153,100	151,522	1,578
Building code	45	45	45	-
Health Department	67,240	67,420	67,419	1
Total public works	<u>2,495,187</u>	<u>2,484,415</u>	<u>2,429,657</u>	<u>54,758</u>

(Continued on next page)

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Human Services:				
Visiting nurses	\$ 1,000	\$ 1,000	\$ 792	\$ 208
Human services/general administration	171,251	171,251	164,877	6,374
Elderly services	121,165	115,768	109,799	5,969
Total human services	<u>293,416</u>	<u>288,019</u>	<u>275,468</u>	<u>12,551</u>
Culture and Recreation:				
Booth/Dimock Library	500,550	500,550	500,550	-
Parks and recreation, supervision	72,150	72,150	71,940	210
Memorial Day	3,675	3,675	1,632	2,043
Total culture and recreation	<u>576,375</u>	<u>576,375</u>	<u>574,122</u>	<u>2,253</u>
Insurance and Sundry:				
Municipal insurance	392,000	343,200	342,813	387
Pension/Social Security	933,800	932,900	921,993	10,907
Health insurance	925,300	919,300	919,260	40
Contingency	15,000	7,500	6,979	521
Claims and losses	30,000	28,439	28,400	39
Total insurance and sundry	<u>2,296,100</u>	<u>2,231,339</u>	<u>2,219,445</u>	<u>11,894</u>
Education	<u>27,526,597</u>	<u>27,526,597</u>	<u>27,230,486</u>	<u>296,111</u>
Capital Outlay	<u>747,000</u>	<u>955,190</u>	<u>955,187</u>	<u>3</u>
Debt Service	<u>2,870,865</u>	<u>2,807,180</u>	<u>2,778,211</u>	<u>28,969</u>
Total budgetary expenditures	<u>41,124,064</u>	<u>41,291,864</u>	<u>40,836,028</u>	<u>455,836</u>
Other Financing Uses:				
Transfers out:				
Matching funds	2,500	2,500	2,398	102
Parks and recreation fund	30,000	30,000	30,000	-
Land acquisition fund	15,000	15,000	15,000	-
BOE Covid 19 Reserve		99,999	99,999	-
Capital and non-recurring fund	170,000	269,999	269,999	-
Total other financing uses	<u>217,500</u>	<u>417,498</u>	<u>417,396</u>	<u>102</u>
Total	<u>\$ 41,341,564</u>	<u>\$ 41,709,362</u>	41,253,424	<u>\$ 455,938</u>

Budgetary expenditures are different from GAAP expenditures because:

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

Reserve for matching fund expenditures and transfers, net

10,914

Reserve for Covid expenditures and transfers, net

(1,550)

(99,999)

The town budgets certain transfers in directly against expenditure accounts

The town budgets certain grants directly against expenditure accounts

13,925

Excess cost grants are netted for budgetary reporting

449,339

State OPEB on-behalf payments

112,261

State pension on-behalf payments

4,107,502

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

\$ 45,845,816

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 558,327	588,285	565,374	\$ 553,015	\$ 509,257	\$ 494,424	\$ 472,429
Interest	1,472,095	1,384,667	1,279,723	1,232,383	1,112,799	1,073,988	1,035,694
Differences between expected and actual experience	(18,778)	322,672	252,167	(98,117)	453,936	(144,868)	
Changes of assumptions	203,314	(68,458)	275,569	(45,764)	129,540		
Benefit payments, including refunds of member contributions	<u>(1,257,720)</u>	<u>(813,323)</u>	<u>(1,173,150)</u>	<u>(877,530)</u>	<u>(440,070)</u>	<u>(1,409,674)</u>	<u>(618,211)</u>
Net change in total pension liability	957,238	1,413,843	1,199,683	763,987	1,765,462	13,870	889,912
Total pension liability - beginning	<u>19,687,097</u>	<u>18,273,254</u>	<u>17,073,571</u>	<u>16,309,584</u>	<u>14,544,122</u>	<u>14,530,252</u>	<u>13,640,340</u>
Total pension liability - ending	<u>20,644,335</u>	<u>19,687,097</u>	<u>18,273,254</u>	<u>17,073,571</u>	<u>16,309,584</u>	<u>14,544,122</u>	<u>14,530,252</u>
Plan fiduciary net position:							
Contributions - employer	678,722	631,502	568,278	617,847	565,362	673,765	1,097,988
Contributions - member	259,747	261,267	249,086	270,830	245,912	239,053	221,335
Net investment income (loss)	(712,930)	(29,739)	1,008,061	1,712,604	(47,620)	159,678	1,768,049
Benefit payments, including refunds of member contributions	<u>(1,257,720)</u>	<u>(813,323)</u>	<u>(1,173,150)</u>	<u>(877,530)</u>	<u>(440,070)</u>	<u>(1,409,674)</u>	<u>(618,211)</u>
Administrative expense	<u>(41,282)</u>	<u>(26,410)</u>	<u>(16,843)</u>	<u>(23,173)</u>	<u>(36,641)</u>	<u>(28,694)</u>	<u>(34,485)</u>
Net change in plan fiduciary net position	<u>(1,073,463)</u>	<u>23,297</u>	<u>635,432</u>	<u>1,700,578</u>	<u>286,943</u>	<u>(365,872)</u>	<u>2,434,676</u>
Plan fiduciary net position - beginning	<u>15,253,235</u>	<u>15,229,938</u>	<u>14,594,506</u>	<u>12,893,928</u>	<u>12,606,985</u>	<u>12,972,857</u>	<u>10,538,181</u>
Plan fiduciary net position - ending	<u>14,179,772</u>	<u>15,253,235</u>	<u>15,229,938</u>	<u>14,594,506</u>	<u>12,893,928</u>	<u>12,606,985</u>	<u>12,972,857</u>
Net Pension Liability - Ending	<u>\$ 6,464,563</u>	<u>\$ 4,433,862</u>	<u>\$ 3,043,316</u>	<u>\$ 2,479,065</u>	<u>\$ 3,415,656</u>	<u>\$ 1,937,137</u>	<u>\$ 1,557,395</u>
Plan fiduciary net position as a percentage of the total pension liability	68.69%	77.48%	83.35%	85.48%	79.06%	86.68%	89.28%
Covered payroll	\$ 7,426,436	6,878,308	6,819,574	6,536,271	6,317,675	5,828,844	5,849,479
Net pension liability as a percentage of covered-employee payroll	87.05%	64.46%	44.63%	37.93%	54.07%	33.23%	26.62%

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

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	678,722	631,502	568,278	617,847	566,352	673,765	728,299	1,079,026	1,097,988	\$ 1,040,895
Contributions in relation to the actuarial determined contribution	<u>678,722</u>	<u>631,502</u>	<u>568,278</u>	<u>617,847</u>	<u>566,352</u>	<u>673,765</u>	<u>1,097,988</u>	<u>1,097,988</u>	<u>1,267,988</u>	<u>1,139,895</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>369,689</u>	\$ <u>18,962</u>	\$ <u>170,000</u>	\$ <u>99,000</u>					
Covered payroll	\$ 7,426,436	6,878,308	6,819,574	6,536,271	6,317,675	5,828,844	5,849,479	5,811,077	5,811,077	\$ 6,183,478
Contributions as a percentage of covered payroll	9.14%	9.18%	8.33%	9.45%	8.96%	11.56%	18.77%	18.89%	21.82%	18.43%

Notes to Schedule

Valuation Date: July 1, 2019
Measurement Date: June 30, 2020
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 Normal
Amortization method: Level percentage of salary - open
Remaining amortization period: 15 Years
Asset valuation method: Asset gains and losses are recognized over a four-year period at 25% per year.
Inflation: 2.60%
Salary increases: 3.00%
Investment rate of return: Pre-retirement 7.50% per year, post-retirement nonunion and police officers 6.50%, all other divisions 7.00%
Retirement age: Police Sworn: 45/20
Non-Uniformed Police: Rule of 85
Non-Police Bargaining Unit Employees: 10% at 60, increasing to 100% at 65
Non-Bargaining Unit Employees: 62/5
Mortality: Current: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), Projected to the valuation date with Scale MP-2019
Prior: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	-4.67%	-0.19%	6.81%	13.15%	-0.37%	1.25%	15.71%

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

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST SIX FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	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>54,264,077</u>	<u>41,840,756</u>	<u>41,168,926</u>	<u>43,433,532</u>	<u>34,183,863</u>	<u>31,555,211</u>
Total	<u>\$ 54,264,077</u>	<u>\$ 41,840,756</u>	<u>\$ 41,168,926</u>	<u>\$ 43,433,532</u>	<u>\$ 34,183,863</u>	<u>\$ 31,555,211</u>
Town's covered payroll	\$ 13,445,593	13,396,480	13,040,396	12,962,869	12,733,792	12,100,327
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Changes in benefit terms

HB 7424 made the following provision changes:

- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.
- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the member's beneficiary.

Changes of assumptions

HB 7424 made the following assumption changes:

- Reduce the inflation assumption from 2.75% to 2.50%.
- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.
- Phase in to a level dollar amortization method for the June 30, 2024 valuation.

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed

Single equivalent amortization period

17.6 years

Asset valuation method

4-year smoothed market

Inflation

2.75%

Salary increase

3.25%-6.50%, including inflation

Investment rate of return

8.00%, net of investment-related expense

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

TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 353,250	315,871	421,300
Interest	257,475	346,872	317,034
Differences between expected and actual experience		(2,467,530)	
Changes of assumptions and other inputs	418,937	343,445	(360,004)
Benefit payments	<u>(201,345)</u>	<u>(164,264)</u>	<u>(166,825)</u>
Net change in total OPEB liability	828,317	(1,625,606)	211,505
Total OPEB liability - beginning	<u>7,102,982</u>	<u>8,728,588</u>	<u>8,517,083</u>
 Total OPEB Liability - Ending	 <u>\$ 7,931,299</u>	 <u>\$ 7,102,982</u>	 <u>\$ 8,728,588</u>
 Covered payroll	 \$ 21,659,935	 21,659,935	 20,377,472
 Total OPEB liability as a percentage of covered-employee payroll	 36.62%	 32.79%	 42.83%

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

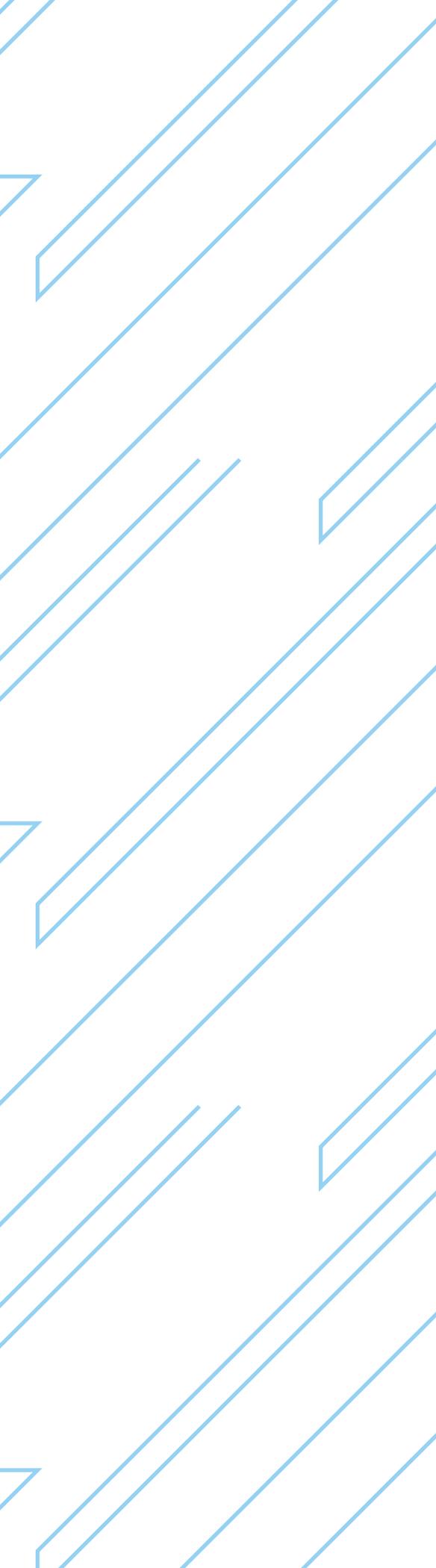
**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST THREE FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net pension liability	0.00%	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>8,462,788</u>	<u>8,364,261</u>	<u>10,596,428</u>
Total	<u>\$ 8,462,788</u>	<u>\$ 8,364,261</u>	<u>\$ 10,596,428</u>
Town's covered payroll	\$ 13,445,593	\$ 13,396,480	\$ 13,040,396
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	2.08%	1.49%	1.79%

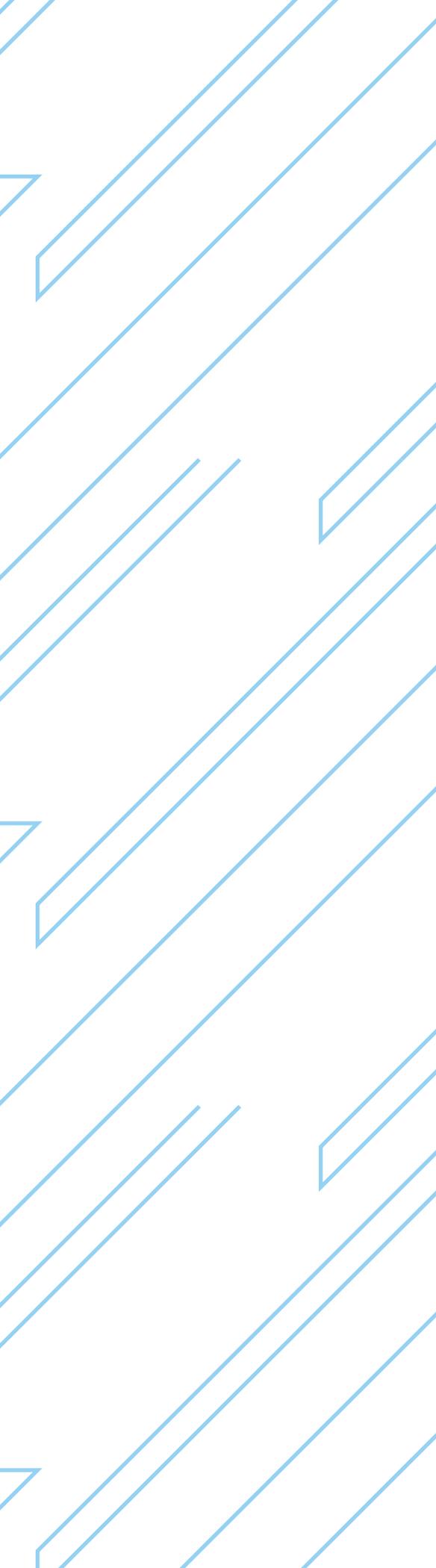
Notes to Schedule

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment-related expense including price inflation
Price inflation	2.75%

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



**Supplemental, Combining
and Individual Fund
Statements and Schedules**



General Fund

GENERAL FUND

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund budget is legally adopted at the Annual Town Meeting. The General Fund utilizes the modified accrual basis of accounting.

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,175,111	\$ 5,409,478
Investments	4,102,350	
Property taxes receivable (net of allowance of \$278,030 in 2020 and \$308,265 in 2019)	784,146	711,938
Accounts receivable	53,258	50,412
Due from other funds	672,723	1,322,890
Prepaid items	<u>52,589</u>	<u>26,489</u>
Total Assets	<u>\$ 7,840,177</u>	<u>\$ 7,521,207</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 916,072	\$ 830,427
Unearned revenue	<u>32,633</u>	<u>43,025</u>
Total liabilities	<u>948,705</u>	<u>873,452</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>661,584</u>	<u>571,660</u>
Fund balance:		
Nonspendable	52,589	26,489
Restricted	14,607	18,297
Committed	104,248	2,699
Assigned	372,664	417,131
Unassigned	<u>5,685,780</u>	<u>5,611,479</u>
Total fund balance	<u>6,229,888</u>	<u>6,076,095</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 7,840,177</u>	<u>\$ 7,521,207</u>

**TOWN OF COVENTRY, CONNECTICUT
GENERAL FUND
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2020**

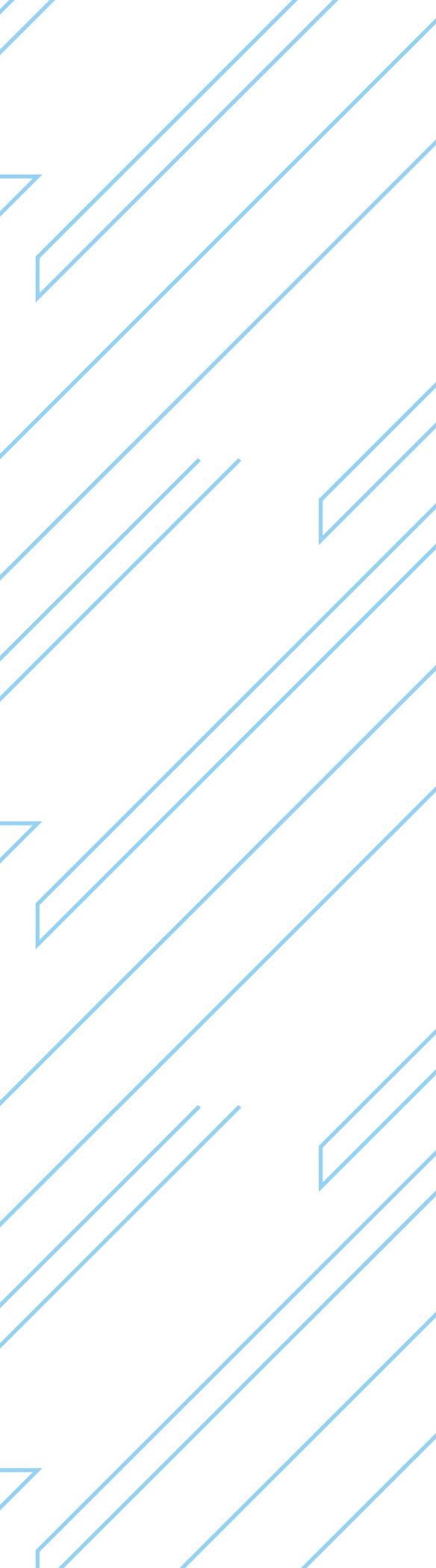
Grand List	Uncollected Taxes July 1, 2019	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections				Uncollected Taxes June 30, 2020
		Additions	Deductions			Taxes	Interest	Liens	Total	
2018	\$ 31,787,722	\$ 22,456	\$ 74,619		\$ 31,735,559	\$ 31,327,643	\$ 91,952	\$ 1,152	\$ 31,420,747	\$ 407,916
2017	402,581	2,600	7,415		397,766	261,473	55,837	2,108	319,418	136,293
2016	135,788	365	582	40,653	94,918	54,450	19,118	758	74,326	40,468
2015	33,061				33,061	7,500	3,640	258	11,398	25,561
2014	19,993			565	19,428	3,582	2,752	102	6,436	15,846
2013	10,984				10,984	88	94	48	230	10,896
2012	13,419		2,884		10,535	62	71	48	181	10,473
2011	12,856		4,439		8,417	37	42	48	127	8,380
2010	12,783				12,783				-	12,783
2009	9,851				9,851				-	9,851
2008	8,861				8,861				-	8,861
2007	8,681				8,681				-	8,681
2006	8,437				8,437				-	8,437
2005	8,768				8,768	461	2,839		3,300	8,307
2004	3,865				3,865	26	67	24	117	3,839
2003	3,991			3,991	-				-	-
	<u>\$ 32,481,641</u>	<u>\$ 25,421</u>	<u>\$ 89,939</u>	<u>\$ 45,209</u>	<u>\$ 32,371,914</u>	<u>\$ 31,655,322</u>	<u>\$ 176,412</u>	<u>\$ 4,546</u>	31,836,280	<u>\$ 716,592</u>

Property taxes receivable considered available:

June 30, 2019	(133,457)
June 30, 2020	<u>116,353</u>

Total Property Tax Revenue \$ 31,819,176

Note: Beginning with the Grand list of 2005, the Town has begun recording overcollections as a liability.



Nonmajor Governmental Funds

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
Town Aid Road	State grant	Construction/maintenance of public roads
Cemetery Commission	Sale of lots	Maintenance and improvements
School Lunch	Charges for services/facility rental	School food service program
Special Education Grants	State and federal grants	Educational purposes
Food Bank	Donations	Assistance to those in need
Tri-Centennial	Donations	Community tri-centennial celebration
Highway Funds	Various sources	Misc public works improvements
Youth Services	State and federal grants	Drug and alcohol abuse prevention
Police Special Services	Charges for services	Police traffic control
Narcotics Forfeiture	Drug enforcement activity	Drug enforcement and education
LOCIP	State grant	Capital Project expenditures
COVRA	Charges for services	Solid waste collection/disposal
Recreation	Charges for services	Recreational leisure programs
Miscellaneous Grants	State and federal grants	Grant funded projects and programs
Sewer Operating	Charges for service	Sewer system operations
Special Police	Donations	Coventry Police and/or survivors
Historic Preservation	State grant	Document preservation
Education User Fees	Charges for services	Fees for use of buildings
EMS Services	Charges for services	Ambulance / EMS / Fire Service
Preschool	Charges for services	Preschool program
Education Tuition	Charges for services	Tuition and fee payments from non-resident students
Coventry Farmers Market	Charges for services / Donations	Weekend farmers market June - October

Capital Projects Fund

The Capital Projects fund is used to account for the financial resources for the acquisition or construction of major capital facilities.

Fund	Funding Source	Function
Land Acquisition	Donations	Purchase of land for open space

Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Fund	Funding Source	Function
Loyzim Memorial and Scholarship	Trust and investment income	Scholarships to Coventry High School Seniors
Cemetery Trust	Trust and investment income	Perpetual care

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

	Special Revenue Funds							
	Town Aid Road	Cemetery Commission	School Lunch	Special Education Grants	Food Bank	Tri- Centennial	Highway Funds	Youth Services
ASSETS								
Cash and cash equivalents	\$ 351,222	\$ 34,595	\$ 81,336	\$ 47,845	\$ 83,815	\$ 28,479	\$ 93,583	\$ 3,365
Investments								
Receivables:								
Grants and contracts receivable			91,067	27,455				
Accounts receivable								
Inventories			46,037					
Total Assets	\$ 351,222	\$ 34,595	\$ 218,440	\$ 75,300	\$ 83,815	\$ 28,479	\$ 93,583	\$ 3,365
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 149,301	\$	\$ 800	\$ 1,116	\$ 32	\$	\$ 1,735	\$ 345
Accrued payroll	122		14,630	35,114				
Due to other funds								
Unearned revenue			32,404	36,536			866	
Total liabilities	149,423	-	47,834	72,766	32	-	2,601	345
Deferred inflows of resources:								
Unavailable revenue - sewer receivable								
Unavailable revenue - COVRRRA receivable								
Unavailable revenue - grants								
Unavailable revenue - other receivables								
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balances:								
Nonspendable			46,037					
Restricted	201,799	34,595		2,534	83,783	28,479		3,020
Committed			124,569				90,982	
Unassigned								
Total fund balances	201,799	34,595	170,606	2,534	83,783	28,479	90,982	3,020
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 351,222	\$ 34,595	\$ 218,440	\$ 75,300	\$ 83,815	\$ 28,479	\$ 93,583	\$ 3,365

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**TOWN OF COVENTRY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds							
	Police Special Services	Narcotics Forfeiture	LOCIP	COVRRRA	Recreation	Miscellaneous Grants	Sewer Operating	Historic Preservation
ASSETS								
Cash and cash equivalents	\$ 18,727	\$ 4,749	\$	\$ 464,290	\$ 68,067	\$	\$ 908,546	\$ 27,688
Investments								
Receivables:								
Grants and contracts receivable			5,406			408,061		
Accounts receivable	8,106			145,064	12,240		55,031	90
Inventories								
Total Assets	\$ 26,833	\$ 4,749	\$ 5,406	\$ 609,354	\$ 80,307	\$ 408,061	\$ 963,577	\$ 27,778
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	\$	\$ 356	\$ 121,774	\$ 5,204	\$	\$ 9,541	\$
Accrued payroll	3,246			5,204	29,134	1,249	7,061	
Due to other funds			5,050			271,659		
Unearned revenue					442	116,836		
Total liabilities	3,246	-	5,406	126,978	34,780	389,744	16,602	-
Deferred inflows of resources:								
Unavailable revenue - sewer receivable							51,995	
Unavailable revenue - COVRRRA receivable				89,313				
Unavailable revenue - grants						253,951		
Unavailable revenue - other receivables	8,106							
Total deferred inflows of resources	8,106	-	-	89,313	-	253,951	51,995	-
Fund balances:								
Nonspendable								
Restricted		4,749						27,778
Committed	15,481			393,063	45,527		894,980	
Unassigned						(235,634)		
Total fund balances	15,481	4,749	-	393,063	45,527	(235,634)	894,980	27,778
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,833	\$ 4,749	\$ 5,406	\$ 609,354	\$ 80,307	\$ 408,061	\$ 963,577	\$ 27,778

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**TOWN OF COVENTRY, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds					Capital Projects	Permanent Funds		Total Nonmajor Governmental Funds
	Education User Fees	EMS Services	Preschool	Education Tuition	Coventry Farmers Market	Land Acquisition	Loyzim Memorial and Scholarship	Cemetery Trust	
ASSETS									
Cash and cash equivalents	\$ 29,185	\$ 127,141	\$ 238,512	\$ 145,630	\$ 57,454	\$ 72,232	\$ 1,005	\$ 26,724	\$ 2,914,190
Investments							5,829		5,829
Receivables:									
Grants and contracts receivable									531,989
Accounts receivable		208,419			1,000				429,950
Inventories									46,037
Total Assets	\$ 29,185	\$ 335,560	\$ 238,512	\$ 145,630	\$ 58,454	\$ 72,232	\$ 6,834	\$ 26,724	\$ 3,927,995
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$ 32,895	\$ 14,788	\$	\$ 6,048	\$	\$	\$	\$ 343,935
Accrued payroll		1,625	3,446		337				101,168
Due to other funds									276,709
Unearned revenue									187,084
Total liabilities	-	34,520	18,234	-	6,385	-	-	-	908,896
Deferred inflows of resources:									
Unavailable revenue - sewer receivable									51,995
Unavailable revenue - COVRRRA receivable									89,313
Unavailable revenue - grants									253,951
Unavailable revenue - other receivables		170,640							178,746
Total deferred inflows of resources	-	170,640	-	-	-	-	-	-	574,005
Fund balances:									
Nonspendable							1,524	12,071	59,632
Restricted		1,495					5,310	14,653	408,195
Committed	29,185	128,905	220,278	145,630	52,069	72,232			2,212,901
Unassigned									(235,634)
Total fund balances	29,185	130,400	220,278	145,630	52,069	72,232	6,834	26,724	2,445,094
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 29,185	\$ 335,560	\$ 238,512	\$ 145,630	\$ 58,454	\$ 72,232	\$ 6,834	\$ 26,724	\$ 3,927,995

**TOWN OF COVENTRY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Town Aid Road	Cemetery Commission	School Lunch	Special Education Grants	Food Bank	Tri- Centennial	Highway Funds	Youth Services
Revenues:								
Intergovernmental	\$ 295,131	\$	\$ 359,118	\$ 543,727	\$	\$	\$	\$
Charges for services		3,377	282,156				62,059	
Investments earnings		1,160	2,030		2,647	1,029	11,999	
Miscellaneous					28,197			
Total revenues	<u>295,131</u>	<u>4,537</u>	<u>643,304</u>	<u>543,727</u>	<u>30,844</u>	<u>1,029</u>	<u>74,058</u>	<u>-</u>
Expenditures:								
Current:								
General government		24						
Public safety							27,203	
Public works	432,405						9,805	
Human services					8,447			5,722
Culture and recreation								
Education			636,823	543,727				
Capital outlay								
Total expenditures	<u>432,405</u>	<u>24</u>	<u>636,823</u>	<u>543,727</u>	<u>8,447</u>	<u>-</u>	<u>37,008</u>	<u>5,722</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(137,274)</u>	<u>4,513</u>	<u>6,481</u>	<u>-</u>	<u>22,397</u>	<u>1,029</u>	<u>37,050</u>	<u>(5,722)</u>
Other Financing Sources (Uses):								
Transfer in		950	60,000			500	250	
Transfer out								
Total other financing sources (uses)	<u>-</u>	<u>950</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>250</u>	<u>-</u>
Net Changes in Fund Balances	<u>(137,274)</u>	<u>5,463</u>	<u>66,481</u>	<u>-</u>	<u>22,397</u>	<u>1,529</u>	<u>37,300</u>	<u>(5,722)</u>
Fund Balances at Beginning of Year	<u>339,073</u>	<u>29,132</u>	<u>104,125</u>	<u>2,534</u>	<u>61,386</u>	<u>26,950</u>	<u>53,682</u>	<u>8,742</u>
Fund Balances at End of Year	<u>\$ 201,799</u>	<u>\$ 34,595</u>	<u>\$ 170,606</u>	<u>\$ 2,534</u>	<u>\$ 83,783</u>	<u>\$ 28,479</u>	<u>\$ 90,982</u>	<u>\$ 3,020</u>

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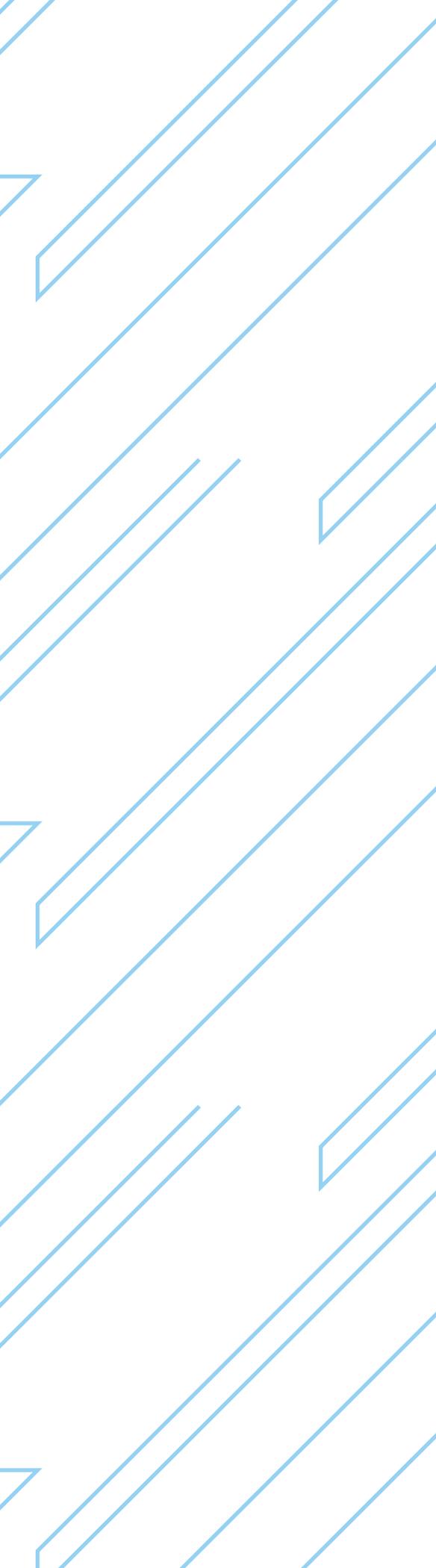
**TOWN OF COVENTRY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Police Special Services	Narcotics Forfeiture	LOCIP	COVRRRA	Recreation	Miscellaneous Grants	Sewer Operating	Historic Preservation
Revenues:								
Intergovernmental	\$	\$	\$ 114,206	\$	\$	\$ 56,762	\$	\$
Charges for services	70,988			1,079,182	346,769		500,610	7,864
Investments earnings	583			26,865			34,826	
Miscellaneous				1,601		1,000		
Total revenues	<u>71,571</u>	<u>-</u>	<u>114,206</u>	<u>1,107,648</u>	<u>346,769</u>	<u>57,762</u>	<u>535,436</u>	<u>7,864</u>
Expenditures:								
Current:								
General government			4,615			25,947		4,265
Public safety	55,402	12,240						
Public works			42,659	1,252,467			346,244	
Human services						13,893		
Culture and recreation			34,268		423,868	8,826		
Education								
Capital outlay			32,664	25,072		270,880	52,163	
Total expenditures	<u>55,402</u>	<u>12,240</u>	<u>114,206</u>	<u>1,277,539</u>	<u>423,868</u>	<u>319,546</u>	<u>398,407</u>	<u>4,265</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,169</u>	<u>(12,240)</u>	<u>-</u>	<u>(169,891)</u>	<u>(77,099)</u>	<u>(261,784)</u>	<u>137,029</u>	<u>3,599</u>
Other Financing Sources (Uses):								
Transfer in					30,000	4,000		
Transfer out	<u>(20,000)</u>						<u>(55,000)</u>	
Total other financing sources (uses)	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>4,000</u>	<u>(55,000)</u>	<u>-</u>
Net Changes in Fund Balances	(3,831)	(12,240)	-	(169,891)	(47,099)	(257,784)	82,029	3,599
Fund Balances at Beginning of Year	<u>19,312</u>	<u>16,989</u>	<u>-</u>	<u>562,954</u>	<u>92,626</u>	<u>22,150</u>	<u>812,951</u>	<u>24,179</u>
Fund Balances at End of Year	<u>\$ 15,481</u>	<u>\$ 4,749</u>	<u>\$ -</u>	<u>\$ 393,063</u>	<u>\$ 45,527</u>	<u>\$ (235,634)</u>	<u>\$ 894,980</u>	<u>\$ 27,778</u>

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**TOWN OF COVENTRY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds					Capital Projects	Permanent Funds		Total Nonmajor Governmental Funds
	Education User Fees	EMS Services	Preschool	Education Tuition	Coventry Farmers Market	Land Acquisition	Loyzim Memorial and Scholarship	Cemetery Trust	
Revenues:									
Intergovernmental	\$	\$	\$ 357,300	\$	\$ 11,528	\$	\$	\$	\$ 1,737,772
Charges for services	24,675	336,098	229,749	138,570	28,492				3,110,589
Investments earnings		6,293				2,707	682	966	91,787
Miscellaneous		6,481			916				38,195
Total revenues	<u>24,675</u>	<u>348,872</u>	<u>587,049</u>	<u>138,570</u>	<u>40,936</u>	<u>2,707</u>	<u>682</u>	<u>966</u>	<u>4,978,343</u>
Expenditures:									
Current:									
General government									34,851
Public safety		495,059							589,904
Public works									2,083,580
Human services									28,062
Culture and recreation					61,311				528,273
Education	35,044		576,826	27,141					1,819,561
Capital outlay		60,367				5,882			447,028
Total expenditures	<u>35,044</u>	<u>555,426</u>	<u>576,826</u>	<u>27,141</u>	<u>61,311</u>	<u>5,882</u>	<u>-</u>	<u>-</u>	<u>5,531,259</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10,369)</u>	<u>(206,554)</u>	<u>10,223</u>	<u>111,429</u>	<u>(20,375)</u>	<u>(3,175)</u>	<u>682</u>	<u>966</u>	<u>(552,916)</u>
Other Financing Sources (Uses):									
Transfer in		55,000				15,000			165,700
Transfer out									(75,000)
Total other financing sources (uses)	<u>-</u>	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>90,700</u>
Net Changes in Fund Balances	(10,369)	(151,554)	10,223	111,429	(20,375)	11,825	682	966	(462,216)
Fund Balances at Beginning of Year	<u>39,554</u>	<u>281,954</u>	<u>210,055</u>	<u>34,201</u>	<u>72,444</u>	<u>60,407</u>	<u>6,152</u>	<u>25,758</u>	<u>2,907,310</u>
Fund Balances at End of Year	<u>\$ 29,185</u>	<u>\$ 130,400</u>	<u>\$ 220,278</u>	<u>\$ 145,630</u>	<u>\$ 52,069</u>	<u>\$ 72,232</u>	<u>\$ 6,834</u>	<u>\$ 26,724</u>	<u>\$ 2,445,094</u>



Capital Projects

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities and equipment.

**TOWN OF COVENTRY, CONNECTICUT
CAPITAL PROJECTS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020**

Project	FY Approved	Appropriation	Cumulative Expenditures			Encumbrances	Uncommitted Balance June 30, 2020
			Balance July 1, 2019	Current Year	Total		
Grants and Bonded Projects:							
Pucker St Bridge-Hop River State grant	2010-11	\$ 2,176,000	\$ 1,904,658	\$ -	\$ 1,904,658	\$ -	\$ 271,342
Pucker St Bridge-Hop River Columbia	2010-11	200,000	156,394	-	156,394	-	43,606
Pucker St Bridge-Hop River Coventry	2010-11	400,000	312,784	-	312,784	-	87,216
Safe Routes to Schools	2012-13	10,000	-	-	-	-	10,000
Safe Routes to Schools	2014-15	445,000	360,660	-	360,660	-	84,340
Bonded Project - Energy & Bridge	2017-18	3,700,000	809,939	1,265,780	2,075,719	-	1,624,281
Road/Hardscape Paving	2018-19	4,000,000	-	370,359	370,359	-	3,629,641
DPW Mower	2019-20	130,000	-	-	-	-	130,000
DPW Radio Upgrades	2019-20	85,000	-	-	-	-	85,000
DPW Dump Truck	2019-20	209,478	-	204,114	204,114	-	5,364
Town Funded:							
Cemetery Monumation	2013-14	8,783	3,107	-	3,107	-	5,676
Energy Efficiency	2013-14	27,000	20,047	-	20,047	-	6,953
SCBA Fire Packs	2014-15	58,521	49,562	-	49,562	-	8,959
SCBA Fire Packs	2015-16	16,997	-	-	-	-	16,997
School Building and Energy Efficiency	2015-16	25,756	21,034	-	21,034	-	4,722
SCBA Fire Packs	2016-17	15,000	6,184	-	6,184	-	8,816
Sewer Study Town of Bolton - GF	2016-17	21,000	6,843	108	6,951	10,699	3,350
Summer Roads	2016-17	30,000	16,914	-	16,914	-	13,086
Town Hall Improvements	2016-17	30,000	28,323	1,677	30,000	-	-
CHS Walls Committee	2017-18	8,500	8,500	-	8,500	-	-
Floor Refinishing	2017-18	20,000	13,834	6,166	20,000	-	-
Information Technology GG	2017-18	38,000	23,745	14,255	38,000	-	-
Jones Crossing Preliminary Engineering	2017-18	90,000	83,077	6,923	90,000	-	-
Lake Management	2017-18	107,000	71,567	35,433	107,000	-	-
Library Engineering	2017-18	10,000	5,265	4,735	10,000	-	-
Revaluation	2017-18	60,000	46,043	13,957	60,000	-	-
SCBA Fire Packs	2017-18	10,000	-	-	-	-	10,000
School Kitchen Equipment	2017-18	20,000	19,079	-	19,079	-	921
School Parking Lot Re-seal	2017-18	30,000	15,081	-	15,081	-	14,919
Summer Road Program	2017-18	270,000	264,050	-	264,050	-	5,950
CHS Walls Committee	2018-19	21,300	-	21,300	21,300	-	-
Classroom Furniture	2018-19	30,000	20,991	9,009	30,000	-	-
Decew Dam Repairs	2018-19	15,000	12,800	-	12,800	-	2,200
Fire Gear	2018-19	24,330	10,371	13,959	24,330	-	-
Folly Lane Bridge Design & Engineering	2018-19	115,500	34,000	80,250	114,250	1,250	-
Information Technology GG	2018-19	40,147	-	40,147	40,147	-	-
Lake Management	2018-19	17,000	-	17,000	17,000	-	-
Library Engineering	2018-19	10,000	-	10,000	10,000	-	-
Plan of Conservation and Development Yr 2	2018-19	10,000	2,485	320	2,805	-	7,195
Police Laser Mapping Equipment	2018-19	12,000	11,286	276	11,562	-	438
Police Station Radio Upgrades	2018-19	128,500	800	118,290	119,090	-	9,410
Police SUV Vehicle	2018-19	41,000	39,326	1,674	41,000	-	-
CT Connectivity Grant Design & Engineering	2018-19	18,000	14,000	4,000	18,000	-	-
Regional Economic Development Plan	2018-19	7,500	-	6,167	6,167	-	1,333
Revaluation	2018-19	45,000	-	45,000	45,000	-	-
SCBA Fire Packs	2018-19	10,000	-	-	-	-	10,000
School Computers	2018-19	150,000	115,802	34,198	150,000	-	-
Town Hall Bathroom Renovations	2018-19	35,000	-	35,000	35,000	-	-
Engine Tanker Refurb	2018-19	50,000	-	-	-	-	50,000
PW Mower	2019-20	130,000	-	-	-	-	130,000
DPW Radio Upgrades	2019-20	85,000	-	-	-	-	85,000
CHS Walls Committee	2019-20	103,600	-	39,722	39,722	3,298	60,580
Information Technology GG	2019-20	54,160	-	50,573	50,573	745	2,842
Lake Management	2019-20	130,000	-	63,730	63,730	66,120	150
Revaluation	2019-20	10,000	-	2,227	2,227	-	7,773
SCBA Fire Packs	2019-20	10,000	-	-	-	-	10,000
Classroom Furniture	2019-20	30,000	-	26,822	26,822	-	3,178
School Computers	2019-20	150,000	-	138,093	138,093	403	11,504
Police SUV Vehicle	2019-20	96,000	-	43,000	43,000	52,305	695
Forestry Management	2019-20	25,000	-	24,788	24,788	-	212
Patriots Park Improvement	2019-20	1,500	-	-	-	1,500	-
Softball Field Design	2019-20	24,800	-	-	-	-	24,800
Fire Gear	2019-20	10,000	-	8,226	8,226	-	1,774
Station 18 Rebranding	2019-20	25,000	-	-	-	-	25,000
Community Center Repairs	2019-20	9,500	-	9,500	9,500	-	-
Library Engineering	2019-20	12,000	-	6,600	6,600	5,040	360
South Street LOTCIP Engineering	2019-20	116,000	-	25,400	25,400	86,050	4,550
Ripley Hill Crosswalk	2019-20	11,500	-	-	-	-	11,500
DPW Pickup Truck	2019-20	40,000	-	40,000	40,000	-	-
Vehicle Lift	2019-20	18,000	-	18,000	18,000	-	-
Summer Road Program	2019-20	300,000	-	297,659	297,659	-	2,341
BOE Funded:							
BOE 1% non-lapsing capital	2015-16	150,000	71,111	31,816	102,927	-	47,073
BOE 1% non-lapsing capital	2016-17	50,000	-	-	-	-	50,000
BOE 1% non-lapsing capital	2017-18	55,000	-	-	-	-	55,000
BOE 1% non-lapsing capital	2018-19	60,000	-	-	-	-	60,000
BOE 1% non-lapsing capital	2019-20	100,000	-	-	-	-	100,000
		<u>\$ 14,839,372</u>	<u>\$ 4,571,162</u>	<u>\$ 3,194,753</u>	<u>\$ 7,765,915</u>	<u>\$ 227,410</u>	<u>\$ 6,846,047</u>



Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for all of the activity associated with providing Medical and Dental insurance to all eligible Town and Board of Education employees.

- Dental Insurance fund was established to account for the self insured dental activities of the Town and Board of Education.
- Health Insurance fund was established to account for the self insured medical activities of the Town and Board of Education.

**TOWN OF COVENTRY, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

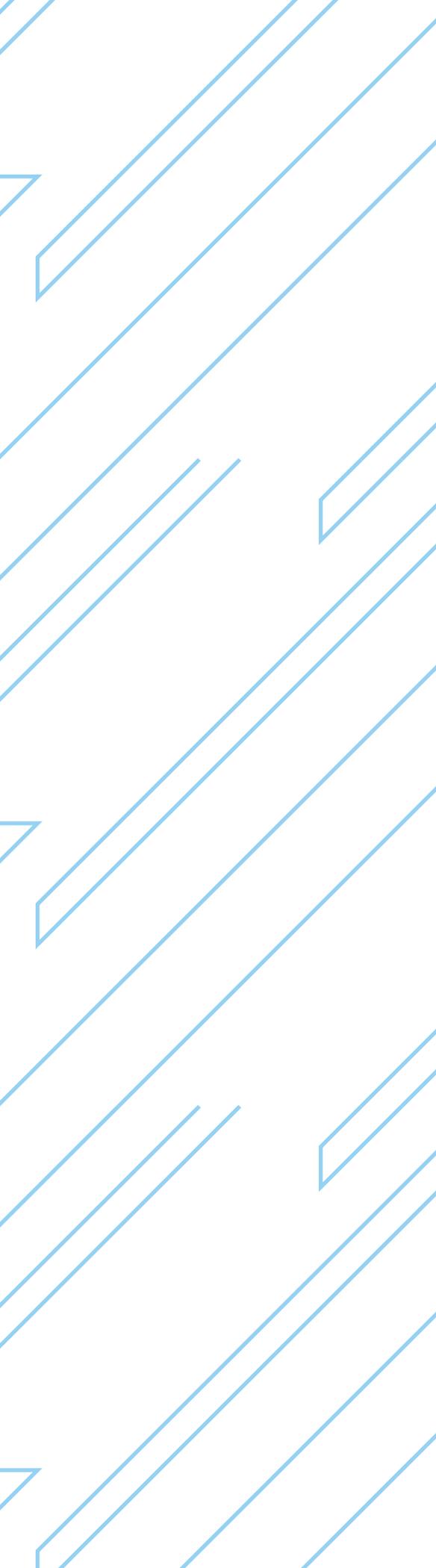
	<u>Dental Insurance</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Assets:			
Current:			
Cash and cash equivalents	\$ 73,598	\$	\$ 73,598
Accounts receivable		21,150	21,150
Advance to plan administrator		2,403,065	2,403,065
Total assets	<u>73,598</u>	<u>2,424,215</u>	<u>2,497,813</u>
Liabilities:			
Current:			
Claims payable		447,468	447,468
Due to other funds		394,000	394,000
Total liabilities	<u>-</u>	<u>841,468</u>	<u>841,468</u>
Net Position:			
Unrestricted	<u>\$ 73,598</u>	<u>\$ 1,582,747</u>	<u>\$ 1,656,345</u>

**TOWN OF COVENTRY, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Dental Insurance</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Operating Revenues:			
Employer contributions	\$ 205,505	\$ 4,178,786	\$ 4,384,291
Employee contributions		1,132,399	1,132,399
Total operating revenues	<u>205,505</u>	<u>5,311,185</u>	<u>5,516,690</u>
Operating Expenses:			
Administrative expense	14,229	610,379	624,608
Employee benefits	168,662	5,425,190	5,593,852
Total operating expenses	<u>182,891</u>	<u>6,035,569</u>	<u>6,218,460</u>
Operating Income (Loss)	22,614	(724,384)	(701,770)
Nonoperating Revenue:			
Investment income		<u>21,365</u>	<u>21,365</u>
Change in Net Position	22,614	(703,019)	(680,405)
Net Position at Beginning of Year	<u>50,984</u>	<u>2,285,766</u>	<u>2,336,750</u>
Net Position at End of Year	<u>\$ 73,598</u>	<u>\$ 1,582,747</u>	<u>\$ 1,656,345</u>

**TOWN OF COVENTRY, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Dental Insurance</u>	<u>Health Insurance</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities:			
Cash received from users	\$ 205,505	\$ 5,325,894	\$ 5,531,399
Cash payments to providers of benefits	<u>(182,891)</u>	<u>(5,347,259)</u>	<u>(5,530,150)</u>
Net cash provided by (used in) operating activities	<u>22,614</u>	<u>(21,365)</u>	<u>1,249</u>
Cash Flows from Investing Activities:			
Investment income	<u> </u>	<u>21,365</u>	<u>21,365</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,614	-	22,614
Cash and Cash Equivalents at Beginning of Year	<u>50,984</u>	<u> </u>	<u>50,984</u>
Cash and Cash Equivalents at End of Year	<u>\$ 73,598</u>	<u>\$ -</u>	<u>\$ 73,598</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 22,614	\$ (724,384)	\$ (701,770)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable		14,709	14,709
(Increase) decrease in advance to plan administrator		706,567	706,567
Increase (decrease) in claims payable		<u>(18,257)</u>	<u>(18,257)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 22,614</u>	<u>\$ (21,365)</u>	<u>\$ 1,249</u>



Agency Funds

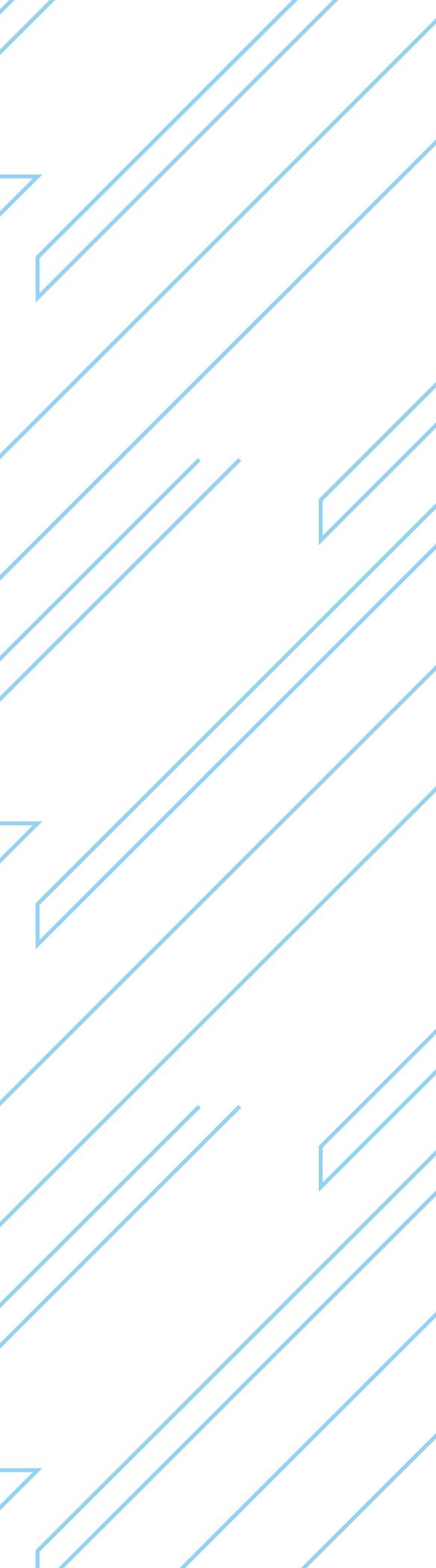
AGENCY FUNDS

Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results and operations.

- Student Activities Fund was established to receive student funds and promote the educational and student activities of students.
- Escrow of Deposits was established to receive deposits from contractors and others.

**TOWN OF COVENTRY, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Student Activities				
Assets:				
Cash and Cash Equivalents	\$ <u>258,738</u>	\$ <u>540,310</u>	\$ <u>498,630</u>	\$ <u>300,418</u>
Liabilities:				
Due to Others	\$ <u>258,738</u>	\$ <u>540,310</u>	\$ <u>498,630</u>	\$ <u>300,418</u>
Escrow of Deposits				
Assets:				
Cash and Cash Equivalents	\$ <u>207,623</u>	\$ <u>25,472</u>	\$ <u>94,010</u>	\$ <u>139,085</u>
Liabilities:				
Due to Others	\$ <u>207,623</u>	\$ <u>25,472</u>	\$ <u>94,010</u>	\$ <u>139,085</u>
Total All Agency Funds				
Assets:				
Cash and Cash Equivalents	\$ <u>466,361</u>	\$ <u>565,782</u>	\$ <u>592,640</u>	\$ <u>439,503</u>
Liabilities:				
Due to Others	\$ <u>466,361</u>	\$ <u>565,782</u>	\$ <u>592,640</u>	\$ <u>439,503</u>



Statistical Section

Statistical Section Information

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.

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$ 102,155,249	\$ 102,037,384	\$ 101,359,144	\$ 99,892,573	\$ 98,581,273	\$ 99,037,215	\$ 97,824,048	\$ 95,361,924	\$ 95,163,804	\$ 94,777,800
Restricted	33,558	31,910	30,174	30,356	5,128	3,994	4,010	3,536	3,562	3,224
Unrestricted	<u>2,525,976</u>	<u>3,978,531</u>	<u>5,807,170</u>	<u>6,237,529</u>	<u>12,354,787</u>	<u>10,946,914</u>	<u>10,945,191</u>	<u>12,571,728</u>	<u>12,461,930</u>	<u>12,089,691</u>
Total Governmental Activities										
Net Position	<u>\$ 104,714,783</u>	<u>\$ 106,047,825</u>	<u>\$ 107,196,488</u>	<u>\$ 106,160,458</u>	<u>\$ 110,941,188</u>	<u>\$ 109,988,123</u>	<u>\$ 108,773,249</u>	<u>\$ 107,937,188</u>	<u>\$ 107,629,296</u>	<u>\$ 106,870,715</u>

**TOWN OF COVENTRY, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Program expenses:										
General government	\$ 3,105,940	\$ 3,120,076	\$ 2,114,592	\$ 2,325,920	\$ 2,156,537	\$ 2,484,135	\$ 1,858,886	\$ 1,984,348	\$ 1,986,777	\$ 1,944,976
Public safety	4,640,962	4,157,498	3,941,988	3,891,121	3,690,030	3,365,991	3,397,462	3,283,643	3,407,329	3,175,894
Public works	7,434,460	7,581,344	7,126,262	8,110,969	9,587,885	7,097,616	6,728,326	6,662,087	6,120,802	6,311,688
Human services	626,509	986,564	981,549	577,274	944,061	586,088	660,061	413,873	456,821	1,305,469
Culture and recreation	1,235,934	1,380,027	1,176,161	1,126,796	1,035,628	941,684	860,523	836,915	782,877	991,766
Education	37,365,051	33,299,881	35,584,039	35,409,114	32,494,869	31,327,868	31,847,323	30,666,316	32,255,787	30,525,168
Debt service	648,600	388,476	439,219	396,525	530,530	629,053	481,934	742,876	851,390	740,068
Total governmental activities program expenses	<u>55,057,456</u>	<u>50,913,866</u>	<u>51,363,810</u>	<u>51,837,719</u>	<u>50,439,540</u>	<u>46,432,435</u>	<u>45,834,515</u>	<u>44,590,058</u>	<u>45,861,783</u>	<u>44,995,029</u>
Program revenues:										
Charges for services:										
General government	577,709	561,654	627,677	609,277	537,762	478,610	508,461	527,006	417,958	618,815
Public safety	475,691	505,652	618,328	772,029	107,486	60,840	96,080	41,738	68,005	55,721
Public works	1,656,790	1,677,942	1,785,453	1,685,558	1,643,266	1,557,051	1,660,966	1,643,468	1,625,592	1,585,769
Human services	105,072	52,647	37,540	113,671	259,858	135,636	164,721	12,636	183,267	142,647
Culture and recreation	314,776	455,260	392,974	382,192	433,114	263,029	258,129	270,101	299,852	327,000
Education	748,988	923,670	795,436	606,458	574,150	456,562	474,659	427,305	462,978	482,419
Operating grants and contributions:										
General government	42,868	10,499	8,623	68,920	14,200	5,000	55,249	20,716	32,942	158,861
Public safety	19,644	27,405	9,518	11,160	28,795	6,209	6,227	6,154	6,102	6,338
Public works	1,601	19,327	1,331			91,252	1,298	78,753	30,577	1,050
Human services	120,051	207,793	97,437	38,345	489,502	83,299	276,209	70,081	83,298	287,427
Culture and recreation	14,492	206,101	29,303	11,926	27,864	18,520	18,520	15,261	21,335	26,643
Education	15,784,503	12,086,433	14,506,185	15,478,113	13,778,325	13,112,454	13,985,376	13,595,784	13,399,547	12,784,723
Interest on long-term debt										4,065
Capital grants and contributions:										
General government	4,615									6,700
Public safety									405,000	15,199
Public works	1,536,034	702,209	1,885,836	1,310,041	3,650,469	1,674,190	2,825,304	903,033	1,383,700	1,849,262
Human services		276,104	523,896				4,695		94,695	557,893
Culture and recreation									4,330	5,644
Education	96,384	240,956			13,500			53,937	986,426	632,160
Total governmental activities program revenues	<u>21,499,218</u>	<u>17,953,652</u>	<u>21,319,537</u>	<u>21,087,690</u>	<u>21,558,291</u>	<u>17,942,652</u>	<u>20,335,894</u>	<u>17,665,973</u>	<u>19,505,604</u>	<u>19,548,336</u>
Net governmental expense	<u>(33,558,238)</u>	<u>(32,960,214)</u>	<u>(30,044,273)</u>	<u>(30,750,029)</u>	<u>(28,881,249)</u>	<u>(28,489,783)</u>	<u>(25,498,621)</u>	<u>(26,924,085)</u>	<u>(26,356,179)</u>	<u>(25,446,693)</u>
General revenues:										
Property taxes	31,921,565	31,566,050	30,867,144	29,960,426	29,571,806	28,749,185	27,936,255	26,794,847	26,656,212	25,699,911
Grants and contributions not restricted to specific purposes	72,194	74,801	83,578	422,541	160,039	783,828	198,048	293,912	338,568	215,403
Unrestricted investment earnings	231,437	170,700	129,581	82,884	74,375	60,069	64,597	61,357	89,170	83,872
Miscellaneous				80,151	28,094	111,575	40,087	81,861	30,810	38,407
Total general revenues	<u>32,225,196</u>	<u>31,811,551</u>	<u>31,080,303</u>	<u>30,546,002</u>	<u>29,834,314</u>	<u>29,704,657</u>	<u>28,238,987</u>	<u>27,231,977</u>	<u>27,114,760</u>	<u>26,037,593</u>
Change in Net Position	\$ <u>(1,333,042)</u>	\$ <u>(1,148,663)</u>	\$ <u>1,036,030</u>	\$ <u>(204,027)</u>	\$ <u>953,065</u>	\$ <u>1,214,874</u>	\$ <u>2,740,366</u>	\$ <u>307,892</u>	\$ <u>758,581</u>	\$ <u>590,900</u>

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	\$ 52,589	\$ 26,489	\$ 23,329	\$ 21,354	\$ 417,956	\$ 417,456	\$ 413,375	\$ 414,312	\$ 38,762	\$ 37,612
Restricted	14,607	18,297	34,048	34,048	37,845	37,845	37,845	40,054		
Committed	104,248	2,699						2,363	2,363	4,352
Assigned	372,664	417,131	422,829	121,180	728,280	683,244	864,374	637,789	621,768	233,507
Unassigned	5,685,780	5,611,479	5,303,759	5,343,224	4,814,513	4,257,666	4,199,209	3,666,097	3,200,062	2,788,992
Total General Fund	<u>\$ 6,229,888</u>	<u>\$ 6,076,095</u>	<u>\$ 5,783,965</u>	<u>\$ 5,519,806</u>	<u>\$ 5,998,594</u>	<u>\$ 5,396,211</u>	<u>\$ 5,514,803</u>	<u>\$ 4,760,615</u>	<u>\$ 3,862,955</u>	<u>\$ 3,064,463</u>
All Other Governmental Funds:										
Nonspendable	\$ 59,632	\$ 41,297	\$ 30,546	\$ 41,612	\$ 30,242	\$ 12,307	\$ 30,646	\$ 13,687	\$ 13,792	\$ 16,059
Restricted	6,325,633	1,122,978	1,120,230	850,938	2,602,084	6,355,175	3,210,632	1,976,155	2,083,905	4,033,584
Committed	3,639,718	2,877,447	3,627,641	3,288,207	1,749,311	1,561,288	1,566,985	1,564,566	1,452,484	1,416,239
Unassigned	(235,634)				(1,809)	(4,982,069)	(1,944,932)	(230,959)	(13,018)	(12,166)
Total All Other Governmental Funds	<u>\$ 9,789,349</u>	<u>\$ 4,041,722</u>	<u>\$ 4,778,417</u>	<u>\$ 4,180,757</u>	<u>\$ 4,379,828</u>	<u>\$ 2,946,701</u>	<u>\$ 2,863,331</u>	<u>\$ 3,323,449</u>	<u>\$ 3,537,163</u>	<u>\$ 5,453,716</u>

**TOWN OF COVENTRY, CONNECTICUT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes	\$ 31,831,641	\$ 31,520,482	\$ 30,835,771	\$ 30,001,160	\$ 29,733,732	\$ 28,619,356	\$ 28,197,177	\$ 27,323,143	\$ 26,509,011	\$ 25,462,109
Intergovernmental	15,226,069	15,963,666	14,892,639	17,324,623	16,745,287	15,377,095	15,281,084	14,397,126	16,051,176	15,863,858
Charges for services	4,123,929	4,433,270	4,629,250	4,734,304	3,713,905	3,317,004	3,370,878	3,269,231	3,279,815	3,450,408
Investment earnings	210,072	143,973	96,849	72,198	58,957	57,177	61,952	59,717	89,170	83,872
Miscellaneous	422,860	165,272	233,634	95,736	75,347	136,099	67,521	96,312	64,846	67,779
Total revenues	<u>51,814,571</u>	<u>52,226,663</u>	<u>50,688,143</u>	<u>52,228,021</u>	<u>50,327,228</u>	<u>47,506,731</u>	<u>46,978,612</u>	<u>45,145,529</u>	<u>45,994,018</u>	<u>44,928,026</u>
Expenditures:										
General government	1,783,228	1,630,311	1,507,917	1,618,070	1,594,621	1,562,298	1,685,343	1,428,965	1,512,380	1,524,341
Public safety	3,091,836	2,991,702	2,819,953	2,797,031	2,376,012	2,185,364	2,223,770	2,180,853	2,054,562	2,055,263
Public works	4,518,575	4,363,156	3,958,916	5,200,802	4,623,734	4,121,711	3,905,379	3,720,960	3,652,774	4,116,964
Human services	511,605	881,088	894,869	494,963	856,685	503,113	577,211	316,328	413,308	1,213,744
Culture and recreation	1,112,122	1,207,440	1,071,035	1,036,299	947,815	906,098	833,251	801,692	743,607	892,292
Insurance and sundry	2,220,460	2,170,684	2,161,875	2,317,379	2,336,362	2,289,975	2,441,774	2,282,645	2,255,480	2,419,958
Education	33,653,372	33,763,692	32,041,864	34,549,770	31,711,416	31,011,899	31,075,590	29,740,588	29,501,607	28,644,218
Debt service:										
Principal	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176	1,991,176
Interest	866,552	911,841	783,605	751,382	646,159	789,327	631,226	806,862	755,471	794,946
Capital outlay	4,048,885	2,914,138	3,143,614	3,015,063	4,857,259	2,519,458	2,189,356	1,191,514	6,069,211	4,138,765
Total expenditures	<u>53,797,811</u>	<u>52,825,228</u>	<u>50,374,824</u>	<u>53,771,935</u>	<u>51,941,239</u>	<u>47,880,419</u>	<u>47,554,076</u>	<u>44,461,583</u>	<u>48,949,576</u>	<u>47,791,667</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,983,240)</u>	<u>(598,565)</u>	<u>313,319</u>	<u>(1,543,914)</u>	<u>(1,614,011)</u>	<u>(373,688)</u>	<u>(575,464)</u>	<u>683,946</u>	<u>(2,955,558)</u>	<u>(2,863,641)</u>
Other Financing Sources (Uses):										
Proceeds from bonds issued	7,270,000				3,400,000	4,275,000			1,675,000	4,950,000
Premium on bond issuance	244,660				64,521					43,011
Premium on bond refunding						378,124				
Payments to escrow agents						(4,553,626)				
Proceeds from leases	370,000	154,000	548,500	866,055	185,000	238,968	869,534		162,497	
Transfers in	2,102,058	1,509,226	1,501,057	1,441,054	1,011,887	1,259,248	1,011,887	1,124,574	1,056,972	827,717
Transfers out	(2,102,058)	(1,509,226)	(1,501,057)	(1,441,054)	(1,011,887)	(1,259,248)	(1,011,887)	(1,124,574)	(1,056,972)	(827,717)
Total other financing sources	<u>7,884,660</u>	<u>154,000</u>	<u>548,500</u>	<u>866,055</u>	<u>3,649,521</u>	<u>338,466</u>	<u>869,534</u>	<u>-</u>	<u>1,837,497</u>	<u>4,993,011</u>
Net Changes in Fund Balances	5,901,420	(444,565)	861,819	(677,859)	2,035,510	(35,222)	294,070	683,946	(1,118,061)	2,129,370
Fund Balances at Beginning of Year	<u>10,117,817</u>	<u>10,562,382</u>	<u>9,700,563</u>	<u>10,378,422</u>	<u>8,342,912</u>	<u>8,378,134</u>	<u>8,084,064</u>	<u>7,400,118</u>	<u>8,518,179</u>	<u>6,388,809</u>
Fund Balances at End of Year	<u>\$ 16,019,237</u>	<u>\$ 10,117,817</u>	<u>\$ 10,562,382</u>	<u>\$ 9,700,563</u>	<u>\$ 10,378,422</u>	<u>\$ 8,342,912</u>	<u>\$ 8,378,134</u>	<u>\$ 8,084,064</u>	<u>\$ 7,400,118</u>	<u>\$ 8,518,179</u>
Debt Service as a Percentage of Noncapital Expenditures	5.7%	6.0%	5.6%	5.4%	5.7%	5.7%	5.7%	6.1%	5.8%	5.9%

Fund Balances at the Beginning of Year in columns 2011 and 2006 are amounts as adjusted.

TABLE 5

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

Fiscal Year Ended June 30,	Real Estate	Personal Property	Motor Vehicle	Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Value
2020	\$ 839,596,750	\$ 40,658,100	\$ 97,637,790	\$ 61,101,400	\$ 977,892,640	32.20	\$ 1,309,701,771	70%
2019	832,566,850	38,363,265	95,031,720	60,914,900	965,961,835	32.00	1,292,924,193	70%
2018	826,763,250	32,368,638	92,835,480	61,236,400	951,967,368	32.00	1,272,472,811	70%
2017	820,782,150	29,316,513	99,675,478	60,318,000	949,774,141	31.20	1,270,651,630	70%
2016	815,032,050	26,399,488	89,541,693	60,618,000	930,973,231	31.20	1,329,961,759	70%
2015	888,619,570	23,512,510	87,582,470	63,066,000	999,714,550	28.47	1,428,163,643	70%
2014	882,011,200	21,353,685	91,608,910	64,279,200	994,973,795	27.97	1,421,391,136	70%
2013	875,852,520	21,623,725	86,050,500	62,748,000	983,526,745	27.00	1,405,038,207	70%
2012	868,489,300	19,064,409	81,071,850	61,590,000	968,625,559	27.00	1,383,750,799	70%
2011	861,756,230	18,264,822	76,999,770	61,589,400	957,020,822	26.58	1,367,172,603	70%

Source: Assessor and Revenue Collector

TABLE 6

**TOWN OF COVENTRY, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	FY 2020			FY 2011		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power	\$ 23,993,990	1	2.52	\$ 6,940,430	1	0.73
Connecticut Water Company	3,515,740	2	0.37	1,554,570	8	0.16
Chester Investment Trust LLC	2,886,100	3	0.30			
White Mountain-Coventry LLC	2,795,000	4	0.29	2,702,200	3	0.28
Nadeau Ronald R & Jeannine G Trustee	2,059,500	5	0.22			
Teleflex-CT Devices Inc.	2,039,260	6	0.21			
Algonquin Gas Transmission Co.	1,701,920	7	0.18			
Meadow Brook of Coventry LLC	1,904,100	8	0.20	1,670,600	6	0.17
Coventry Self Storage	1,550,190	9	0.16	1,677,700	5	0.18
Von Hirschberg Richard F	1,490,880	10	0.16			
McDermott George & Violet				1,638,100	7	0.17
CIL Realty				1,904,300	4	0.20
14 Grant Hill Road				2,763,800	2	0.29
Imperial Development LLC				1,419,200	9	0.15
SD Williams LLC				1,390,300	10	0.15

Source: Grand List

TABLE 7

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

<u>Fiscal Year Ended June 30,</u>	<u>Grand List Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2020	2018	\$ 31,735,560	\$ 31,327,645	98.71%	\$	\$ 31,327,645	98.71%
2019	2017	31,394,762	30,992,182	98.72%	266,287	31,258,469	99.57%
2018	2016	30,712,305	30,360,593	98.85%	311,244	30,671,837	99.87%
2017	2015	29,817,602	29,467,102	98.82%	324,938	29,792,040	99.91%
2016	2014	29,303,009	28,975,106	98.88%	312,057	29,287,163	99.95%
2015	2013	28,655,700	28,167,400	98.30%	477,404	28,644,804	99.96%
2014	2012	27,821,385	27,346,108	98.29%	464,803	27,810,911	99.96%
2013	2011	26,670,524	26,181,203	98.17%	480,942	26,662,145	99.97%
2012	2010	26,377,783	25,844,441	97.98%	520,559	26,365,000	99.95%
2011	2009	25,513,165	24,983,528	97.92%	519,786	25,503,314	99.96%

**TOWN OF COVENTRY, CONNECTICUT
RATIOS OF TOTAL DIRECT DEBT
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt		Other Governmental Activities Debt		Total Primary Government	Total Direct Debt Per Capita (a)	Ratio of Total Direct Debt to Net Taxable Grand List (b)	Ratio of Total Direct Debt to Full Value Grand List (b)
	General Obligation Bonds	Bond Premium	Capital Lease	Clean Water Fund Loans				
2020	\$ 15,235,000	\$ 649,412	\$ 1,305,179	\$ 3,598,778	\$ 20,788,369	\$ 1,679	2.13%	2.00%
2019	9,345,000	472,798	1,293,057	4,073,016	15,183,871	1,219	1.57%	1.48%
2018	10,995,000	531,669	1,475,681	4,537,870	17,540,220	1,408	1.84%	1.73%
2017	12,460,000	590,540	1,281,159	4,993,527	19,325,226	1,553	2.03%	1.91%
2016	13,905,000	649,411	741,145	5,440,169	20,735,725	1,666	2.23%	2.09%
2015	11,960,000	643,761	784,040	5,877,974	19,265,775	1,547	1.93%	1.81%
2014	13,570,000	321,436	735,528	6,307,117	20,934,081	1,681	2.10%	1.98%
2013	15,140,000	352,027	119,819	6,727,770	22,339,616	1,797	2.27%	2.14%
2012	16,595,000	382,618	249,508	7,140,100	24,367,226	1,960	2.52%	2.37%
2011	16,320,000	413,209	254,534	7,544,272	24,532,015	1,971	2.56%	2.41%

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

(a) See Table 12 "Demographic and Economic Statistics" for personal income and population data. These ratios are calculated using person income and population for the prior calendar year.

(b) See Table 5 "Assessed and Estimated Actual Value of Taxable Property" for taxable property value data.

**TOWN OF COVENTRY, CONNECTICUT
RATIOS OF NET DIRECT AND TOTAL OVERALL NET DEBT
LAST TEN FISCAL YEARS**

Fiscal Year	Total Direct Debt	Less: Sewer Assessment Receivable	Net Direct Debt	Overlapping/ Underlying Debt	Total Overall Net Debt	Total Overall Net Debt Per Capita (a)	Ratio of Total Overall Net Debt to Net Taxable Grand List (b)	Ratio of Total Overall Net Debt to Full Value Grand List (b)
2020	\$ 20,788,369	\$ 1,508,378	\$ 19,279,991	\$	\$ 19,279,991	\$ 1,574	1.97%	1.86%
2019	15,183,871	1,839,989	13,343,882		13,343,882	1,071	1.38%	1.30%
2018	17,540,220	2,175,341	15,364,879		15,364,879	1,235	1.61%	1.52%
2017	19,325,226	2,530,238	16,794,988		16,794,988	1,349	1.77%	1.66%
2016	20,735,725	2,937,328	17,798,397		17,798,397	1,431	1.91%	1.79%
2015	19,265,775	3,265,924	15,999,851		15,999,851	1,286	1.60%	1.51%
2014	20,934,081	3,702,410	17,231,671		17,231,671	1,389	1.73%	1.63%
2013	22,339,616	4,044,405	18,295,211		18,295,211	1,473	1.86%	1.75%
2012	24,367,226	4,385,590	19,981,636		19,981,636	1,589	2.06%	1.94%
2011	24,532,015	4,778,482	19,753,533		19,753,533	1,582	2.06%	1.94%

Note 1: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Note 2: As the net direct debt of the Town and the total overall net debt of the Town are the same, the Town has only presented ratios on overall net debt.

(a) See Table 12 "Demographic and Economic Statistics" for personal income and population data. These ratios are calculated using person income and population for the prior calendar year.

(b) See Table 5 "Assessed and Estimated Actual Value of Taxable Property" for taxable property value data.

**TOWN OF COVENTRY, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
FOR THE YEAR ENDED JUNE 30, 2020**

Total tax collections (including interest and lien fees) received by Treasurer for year ended June 30, 2019:	\$ 31,442,399
Reimbursement for revenue loss on: Tax relief for the elderly	<u>-</u>
Total Base	<u>\$ 31,442,399</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	\$ 70,745,398	\$	\$	\$	\$
4 1/2 times base		141,490,796			
3 3/4 times base			117,908,996		
3 1/4 times base				102,187,797	
3 times base					94,327,197
Total debt limitation	<u>70,745,398</u>	<u>141,490,796</u>	<u>117,908,996</u>	<u>102,187,797</u>	<u>94,327,197</u>
Indebtedness:					
Bonds payable	10,819,000	4,416,000	3,598,779		
Authorized, unissued bonds		430,000	91,599		
Total indebtedness	<u>10,819,000</u>	<u>4,846,000</u>	<u>3,690,378</u>	-	-
Less amounts to be provided by the state and other			<u>(1,508,378)</u>		
Net indebtedness	<u>10,819,000</u>	<u>4,846,000</u>	<u>2,182,000</u>	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 59,926,398</u>	<u>\$ 136,644,796</u>	<u>\$ 115,726,996</u>	<u>\$ 102,187,797</u>	<u>\$ 94,327,197</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$220,096,793)

Note 2: Amounts above do not include \$238,000 of Water System Improvement bonds issued.

Note 3: Sewer assessment receivable of \$1,508,378 billed on an annual basis to benefiting property owners will be used to offset the cost of the debt service for sewer projects

**TOWN OF COVENTRY, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

Legal Debt Margin Calculation for Fiscal Year 2020:	
Revenue Base	\$ <u>31,442</u>
Debt limit (Revenue Base x7)	\$ <u>220,097</u>
Debt applicable to limit:	
General obligation bonds	18,834
Plus: bonds authorized, unissued	522
Less: Grant commitments	<u>(1,508)</u>
Total debt applicable to limit	<u>17,847</u>
Legal Debt Margin	\$ <u>202,250</u>

	FISCAL YEAR									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 220,097	\$ 216,004	\$ 209,635	\$ 209,635	\$ 208,328	\$ 200,234	\$ 198,881	\$ 191,279	\$ 186,126	\$ 178,727
Total net debt applicable to limit	<u>17,847</u>	<u>11,670</u>	<u>16,940</u>	<u>14,777</u>	<u>16,233</u>	<u>18,064</u>	<u>16,897</u>	<u>18,224</u>	<u>19,374</u>	<u>18,811</u>
Legal Debt Margin	<u>\$ 202,250</u>	<u>\$ 204,334</u>	<u>\$ 192,695</u>	<u>\$ 194,858</u>	<u>\$ 192,095</u>	<u>\$ 182,170</u>	<u>\$ 181,984</u>	<u>\$ 173,055</u>	<u>\$ 166,752</u>	<u>\$ 159,916</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.11%	5.40%	8.08%	7.05%	7.79%	9.02%	8.50%	9.53%	10.41%	10.52%

**TOWN OF COVENTRY, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (1) (thousands of dollars)</u>	<u>Per Capita Personal Income (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (2)</u>
2020	12,249	\$ 417,127	\$ 34,054	1,674	3.8
2019	12,458	417,127	33,483	1,649	3.9
2018	12,446	418,768	33,647	1,690	4.5
2017	12,450	413,615	33,222	1,625	4.0
2016	12,434	444,068	35,714	1,624	5.3
2015	12,445	430,249	34,572	1,643	7.1
2014	12,402	425,902	34,341	1,685	7.9
2013	12,418	438,964	35,349	1,723	6.9
2012	12,572	422,520	33,608	1,780	7.9
2011	12,485	380,499	30,476	1,820	7.0

Sources:

(1) Connecticut Economic Resource Center Inc. and Connecticut Public Expenditures Council

(2) State of Connecticut Department of Labor, as of fiscal year end

TABLE 13

**TOWN OF COVENTRY, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2020			2011		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Coventry	407	1	28.56	365	1	27.12
Highland Park Market	80	2	5.61	80	2	5.94
Teleflex Medical (formerly Genzyme Surgical)	63	3	4.42	31	5	2.30
Dunkin Donuts	40	4	2.81	25	9	1.86
Pelletier Builders	31	5	2.18	45	3	3.34
Bidwell Tavern	30	6	2.11	31	4	2.30
Sadlak Industries	28	7	1.96			
Dimitri's	22	8	1.54	30	6	2.23
CVS Pharmacy	22	9	1.54	27	8	2.01
Walgreens	15	10	1.05	28	7	2.08
Sabrina Pools				22	10	1.63

Source: Finance Office

TABLE 14

**TOWN OF COVENTRY, CONNECTICUT
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAS TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Town Government:										
General Administration	15	16	16	16	16	16	18	18	18	17
Public Safety	21	22	21	22	21	21	21	21	20	20
Public Works	24	24	23	24	24	24	19	17	18	18
Human Services	4	4	4	4	4	4	3	3	3	3
Civic and Cultural	2	2	2	2	2	2	2	2	2	2
Subtotal Town	<u>66</u>	<u>68</u>	<u>66</u>	<u>68</u>	<u>67</u>	<u>67</u>	<u>63</u>	<u>61</u>	<u>61</u>	<u>60</u>
Board of Education:										
Non-Certified Staff *	144	149	154	154	146	129	130	131	135	133
Certified Staff	186	184	186	187	182	178	175	173	171	172
Subtotal Board of Education	<u>330</u>	<u>333</u>	<u>340</u>	<u>341</u>	<u>328</u>	<u>307</u>	<u>305</u>	<u>304</u>	<u>306</u>	<u>305</u>
 Total - all employees	<u><u>396</u></u>	<u><u>401</u></u>	<u><u>406</u></u>	<u><u>409</u></u>	<u><u>395</u></u>	<u><u>374</u></u>	<u><u>368</u></u>	<u><u>365</u></u>	<u><u>367</u></u>	<u><u>365</u></u>

* Preschool employees included as of 2013

Source: Town Finance Department and BOE Business Office

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

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Building Department:										
Construction Permits	937	899	917	810	938	821	847	789	800	835
Zoning Permits	278	282	225	229	252	187	200	144	168	194
C/O's & C/C's	719	813	709	685	735	695	637	527	454 **	113
Planning										
Special Permit	5	12	5	2	6	3	9	7	8	9
Subdivision	1	2	3	3	1	4	3	3	2	3
Zoning Changes	-	1	-	1	-	3	1	1	-	2
Police										
Medical Calls	531	616	615	656	581	572	491	511	466	387
Motor Vehicle Stops	1,032	1,888	1,813	1,339	1,909	1,547	1,168	1,127	976	1,279
Animal Complaints	269	304	314	363	345	303	360	382	426	357
Total Calls for Service****	6,713	7,950	7,968	7,282						
Total Arrests****	223	223	212	156						
Animal Control (Town Clerk)										
Dog licenses	1,249	1,381	1,408	1,430	1,442	1,468	1,533	1,454	1,502	1,663
Kennel Licenses	12	13	14	16	13	13	13	12	16	17
Library										
Total Circulation	64,467	79,650	77,278	86,376	89,484	121,211	106,599	100,689	110,320	102,438
Annual Attendance	26,173	45,391	46,497	54,140	67,056	57,357	51,165	39,659	48,801	39,793
Interlibrary Loans	1,468	2,243	2,034	1,104	2,605	3,947	3,508	2,997	2,794	3,485
Internet Users	88,285 *	121,420 *	19,510	24,692	20,742	20,789	20,608	16,672 *	7,486	4,041
Refuse Collection										
Tons received at Transfer station										
Construction/Stumps/Brush	243	263	263	235	249	209	178	180	185	209
Metal	61	54	23	21	22	15	23	18	19	36
Leaves	33	39	42	33	59	65	77	64	27	49
Electronics (units)	2,634	2,424	3,011	2,831	2,287	1,889	1,801	1,765	1,512	1,276
Freon (units)	373	347	307	287	297	241	227	173	208	160
Propane Tanks (units)	156	189	148	159	137	133	117	97	119	110
Tires (units)	248	260	152	178	190	164	50	89	90	175
Curbside bulk (tons)	226	249	224	210	226	189	183	150	147	164
Registrar of Voters										
Total registered voters	8,632	8,575	8,375	8,044	7,511	7,304	7,508	7,632	7,385	7,317
Revenue Services										
Total taxes collected	31,831,641	31,520,482	30,916,058	29,882,074	29,585,427	28,676,314	27,914,503	26,838,753	26,268,668	25,268,474
Education										
Total student enrollment***	1,674	1,641	1,682	1,616	1,624	1,643	1,685	1,723	1,780	1,820

* Change in calculation

** Beginning in 2012 new permitting system requires Certificates of Completion for all permits; previous years reflect Certificates of Occupancy only.

*** Enrollment data is reported as of October in each fiscal year, per the State Department of Education enrollment data collection guidelines.

**** Total calls for service and total arrests statistics added in fiscal year 2017.

Source: Departmental Annual Reports; PSIS Racial Survey by District October report

**TOWN OF COVENTRY, CONNECTICUT
CAPITAL ASSETS AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Municipal Buildings	10	10	10	10	10	10	9	9	9	9
Fire Stations/Substations	4	4	4	4	4	4	4	4	4	4
Water										
Fire Ponds	7	7	7	7	7	7	7	7	7	7
Dry Hydrants	21	21	21	21	21	21	21	21	21	21
Schools	5*	5*	4	4	4	4	4	4	4	4
Parks and Recreation										
Buildings	10	10	9	9	9	9	8	8	8	8
Parks	8	8	7	7	7	7	7	6	6	6
Highway										
Paved miles	111	111	111	111	111	110	109	107	104	102
Unimproved miles	6	6	6	6	6	6	6	5	6	6

Source: Departmental Annual Reports

*Includes addition of Coventry Academy