



Town of Bolton

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Secretary Benjamin Barnes
State of Connecticut
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106

August 15, 2017

Dear Secretary Barnes:

We are in receipt of your letter dated August 7, 2017 requesting information on Bolton's fiscal health. The information requested on our fund balance levels is listed in the body of this letter. Over the years, Bolton has continued its hard work to provide financial stability for our community. We adopted a fund balance policy in 2009 which states our goal for fund balance to be 8 ½% to 10% of our total operating budget. With a current FY18 operating budget of \$21,339,335, our fund balance of \$1,536,444 is only 7.2%. Although we make annual contributions per our policy to the fund balance, we have not yet achieved our goal. As a result, we are not in any position to utilize our "rainy day" fund balance for possible budget shortfalls due to revenue reductions. On an annual basis our unassigned fund balance is used as cash surplus to offset the next fiscal year's budget. That is why on our spreadsheet, \$0 is projected for FY18. While your sheet shows amounts available for FY15 and FY16, we had already used those funds in our budget process and they no longer exist. Based on the above information for fund balance, we demonstrate that we do not have any capability to endure major reductions in state aid by utilizing fund balance.

BOLTON

General Fund

Unassigned Fund Balance per GASB 54

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance</u> <u>per GASB 54</u>
FY 15 Actual	2,434,127	1,098,699
FY 16 Actual	2,906,198	1,381,546
FY 17 Estimated	1,532,444	46,000
FY 18 Projected (based on adopted municipal budget)	1,536,444	0

Please feel free to contact us with any questions.

Respectfully,

Robert R. Morra
First Selectman

Joyce M. Stille
Administrative Officer

C: Jill Collins, Chief Financial Officer
State Senator Steve Cassano
State Representative Robin Green
Michael Izadi