

**TOWN OF WINDSOR, CONNECTICUT**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
JUNE 30, 2011



For the Fiscal Year Ended June 30, 2011



# **The Town of Windsor, Connecticut**

## **Comprehensive Annual Financial Report**



**Fiscal Year Ended June 30, 2011**

**Prepared by:  
Department of Financial Accounting & Reporting**

**Robert Metcalf  
Finance Director**

**James Bourke  
Assistant Finance Director**

**Linda Collins  
Town Accountant**

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Budget Analyst**



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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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## **Introductory Section**





December 5, 2011

To the Honorable Mayor and  
Members of the Windsor Town Council  
Town of Windsor, Connecticut

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2011.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen LLP, Certified Public Accountants, has issued an unqualified opinion on the Town of Windsor's financial statements for the year ended June 30, 2011. The independent auditor's report is located at the front of the financial statement section of this annual report.

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

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the Town of Windsor as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. There are no agencies or entities that should be, but are not, combined with the financial statements of the Town.

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 Windsor for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the 26th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ORGANIZATION**

### ***Description of the Town and Organization***

Windsor is the location of the first English settlement in Connecticut, settled in 1633 by a congregation relocating from the Plymouth Colony. Bordering Hartford to the north, Windsor covers a 31.1 square mile area on the west bank of the Connecticut River. It is located an equal distance from New York and Boston. The Town center is only minutes from Bradley International Airport and is also well served by a main line railway between Boston and New York. Interstate 91, a major expressway to New York and northern New England, traverses the Town, as does the Farmington River.

The Town of Windsor is organized under the Council Manager form of government. The Town Charter was recognized in the 1947 session of the General Assembly of Connecticut and approved by a referendum vote of the Town in the same year. It has been amended by a special act of the State Legislature and in 1998 by local referenda under the permissive features of the home rule law for Connecticut municipalities.

A bipartisan Council of nine members elected biennially performs the legislative function. The Town Council elects a Mayor from its membership for the two year term. The Town Manager is the Chief Executive Officer of the Town and is directly responsible to the Town Council for the administration of municipal operations.

The Town provides a comprehensive range of municipal services as directed by the statutes of the State of Connecticut and the charter of the Town of Windsor. These include: education, library services, recreation, health, social services, police and fire protection, regulation of commercial development, construction and maintenance of public infrastructure, and general administrative services.

Other highly desirable services are available, without impact on the taxpayer, through the Town of Windsor's three self-supporting enterprise funds. A Sanitary Landfill is operated in conjunction with the Town of Bloomfield; the Discovery Center provides child day care to Windsor residents and employees of local businesses; and the Caring Connection provides an alternative to institutional care for elderly and handicapped adults in the Town. The Landfill will continue accepting municipal solid waste (MSW) until the current permitted elevations are reached pursuant to resolution of the Town Council.

In addition to general government activities, the Town Council oversees the Town of Windsor Retirement Plan and it is therefore included in this reporting entity. However, the Metropolitan District Commission, the Wilson and Windsor Fire Districts and the Windsor Volunteer Ambulance Association have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

Use of this report by Town Service Units is encouraged when furnishing information to interested parties.

## ***Economic Condition and Outlook***

Long-term planning for the efficient use of the Town's land resources began in 1924, and was most recently updated in 2004. Comprehensive zoning regulations were first adopted in 1931 and have been revised periodically as necessary. Residential development in Windsor is primarily of the single family, owner-occupied type, but with some multi-family rental as well as condominium development in recent years spurred by the rise in the cost of individual home ownership and the desire for a mix of housing options for a growing population. With large tracts of land once dedicated principally to agricultural use located at its northern and western perimeter, the Town has been able to make significant progress in attracting new commerce and industry.

The Windsor Town Council has adopted formal, written Economic Development policies. These policies not only identify the incentives that are available to companies who may wish to locate in Windsor, but also clearly outline the services that Town officials will provide to new and existing businesses. The Town is committed to working with new businesses through all phases of their preparations and ultimate move to Windsor. Town officials are also committed to providing similar, appropriate services for existing businesses in addition to trying to address any concerns that these businesses experience with either local or regional issues.

Windsor is an important regional employment center in New England's Knowledge Corridor. It is strategically located between Hartford, CT and Springfield, MA on Interstate I-91 and adjoining Bradley International Airport. Windsor maintains a diversified economic base. Major industries include business and financial services, precision manufacturing, software development, regional distribution, data management and hospitality.

With a jobs base of more than 23,000, Windsor ranks fifth among Hartford area communities in total non-retail employment. Major private employers include Hartford Life, ING, Alstom, Northeast Utilities, Westinghouse, Konica Minolta, CIGNA, Walgreens, Permasteelisa and SS&C.

Between 2000 and 2010, Windsor experienced substantial growth. More than four million square feet of new commercial space was constructed during this period including 300,000 square feet of retail, 1.2 million square feet of office, and 2.5 million square feet of industrial/distribution space. In addition, more than 580 new hotel rooms and conference space were built to serve the growing business community.

Looking forward, the Town of Windsor is taking steps to sustain its growth and the quality of its development. A variety of initiatives are underway to further improve highway access, manage transportation demand and enhance community livability. Concept plan approval has been granted to a 600-acre mixed-use project in the Day Hill Road corporate area known as Great Pond Village. This project will add value to existing space and provide opportunities for new workforce housing. The Redevelopment Agency is pursuing redevelopment of key properties and planning for development to support and benefit from commuter rail service expansion in the town center. The State of Connecticut Department of Transportation has initiated a project for high-speed and enhanced commuter rail service through Windsor by 2015.

## ***Financial Information***

The Town's management is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow managing spending within fixed budget limitations and for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Finance Department is responsible for providing the financial services for the Town including: property tax assessment, tax collection, financial accounting and reporting, payroll and accounts payable, risk management, disbursement functions, debt management, pension administration, purchasing, special financial analysis and benefits processing. In FY 2011, the Town implemented the new fund balance reporting and governmental fund type definitions required under GASB Statement No. 54. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

#### Long-Range Financial Planning

Annually, the Town Manager prepares a six-year Capital Improvement Plan (CIP) in accordance with the Town Charter, which is reviewed by the Capital Improvements Committee, Finance Committee, and Town Council. The approved 2012-2017 CIP, adopted in June 2011 includes various projects for road improvements, building renovations, new building facilities, major equipment purchases, and other capital improvements totaling \$134,600,000.

As part of the capital planning improvements process, the Town extensively evaluates funding requirements and prioritization for all projects by conducting a comprehensive debt analysis. This analysis consists of a review of current debt and the impact of incurring future debt on the Town's mill rate, existing debt service, and future operating budgets. A review of the current interest rate environment and various debt structures is also conducted to determine the affordability of additional debt.

On an annual basis, a five-year budget forecast is prepared by the Town Manager and Finance Director, for review and discussion with the Finance Committee and Town Council. This process allows the town to look at issues such as budget sustainability, and provides an opportunity to institute revenue and budgetary changes in a timely manner in anticipation of future events.

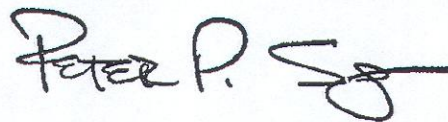
#### Independent Audit

State statutes require an annual audit be conducted by independent certified public accountants. In compliance with this requirement, the Town Council selected McGladrey & Pullen, LLP to perform the audit for fiscal year 2011. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the Federal and State Single Audit Acts are included in separate documents.

#### Acknowledgements

The preparation of this report could not have been accomplished without the hard work and dedication of the Finance Department staff; Robert Metcalf, Finance Director; James Bourke, Assistant Finance Director and Linda Collins, Town Accountant. Their invaluable assistance made the preparation of this report an easier task.

Sincerely,



Peter Souza  
Town Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Windsor  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



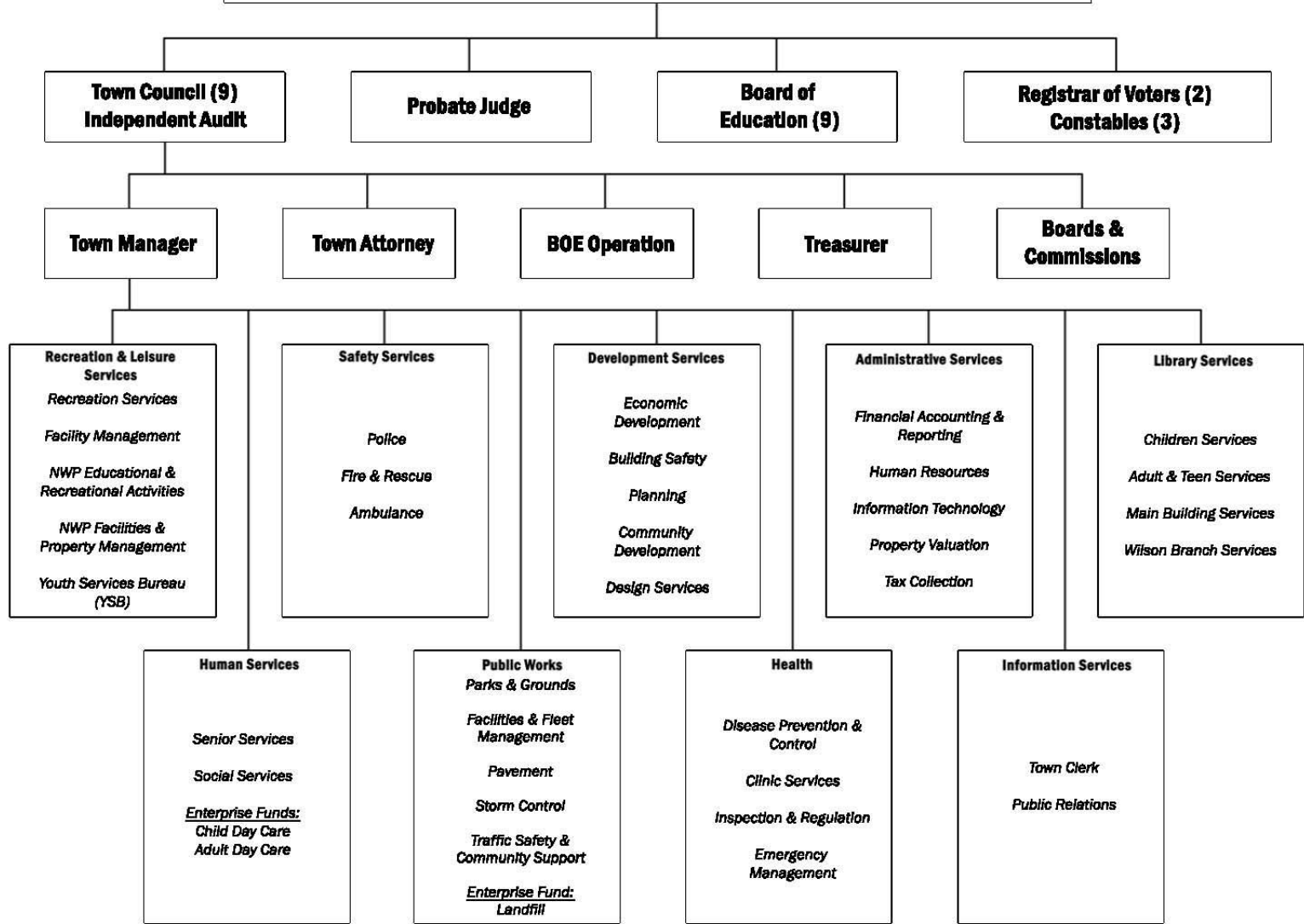
*Linda C. Dandson*

President

*Jeffrey R. Egan*

Executive Director

# Voters of Windsor





**Principal Town Officials**  
**As of June 30, 2011**

*Town Council*

Donald S. Trinks, Mayor  
Alan J. Simon, Deputy Mayor  
Ronald C. Eleveld  
Donald A. Jepsen, Jr.  
Matthew A. Marci  
Randy P. McKenney  
Michael McDonald  
Aaron Jubrey  
William H. Herzfeld

*Board of Education*

Milo W. Peck, Jr. – President  
Christopher Watts – Vice President  
Doreen E. Richardson – Secretary  
Paul J. Panos – Minority Leader  
Lucille Browne  
Howard Jubrey, Jr.  
Cristina Santos

*Appointed Officials*

Peter Souza, Town Manager  
Ernest L. Perlini, Ed.D., Interim Superintendent of Schools  
Randall I. Graff, Town Treasurer  
O'Malley, Deneen, Leary, Messina & Oswecki, Town Attorney

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**Financial Section**



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut (the "Town") as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Notes 14 and 15 to the basic financial statements, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its method of accounting of governmental funds' fund balance classifications and restated the General Fund and Nonmajor Governmental Funds' beginning fund balances.

In accordance with "Government Auditing Standards," we have also issued our report dated December 5, 2011 on our consideration of the Town of Windsor, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis, the schedules of funding progress and schedules of employer contributions for the pension trust funds, other postemployment benefit plans and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary detail, combining and individual nonmajor fund statements, capital assets schedule and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
December 5, 2011

# **Town of Windsor, Connecticut Management's Discussion and Analysis June 30, 2011**

As management of the Town of Windsor, Connecticut (the "Town") we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Town of Windsor for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the Town's basic financial statements that follow this section.

## **Financial Highlights**

- On a government-wide basis, the assets of the Town of Windsor exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$77.4 million. Total net assets for Governmental Activities at fiscal year-end were \$84.1 million, which was a decrease of \$1.1 million. Total net assets (deficits) for Business-Type Activities were (\$6.7 million), which was a decrease in the deficit of \$0.4 million. The net deficit for Business-Type Activities is due to the accrual of closure and post-closure costs for the landfill.
- Government-wide expenses were \$116.8 million, which is an increase of \$1.4 million from FY 10. Government-wide revenues were \$116.1 million, which is an increase of \$3.2 million from FY 10.
- At the close of the year, the Town's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$29.4 million, an increase of \$0.1 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$18.4 million, an increase of \$2.8 million from the prior fiscal year. This increase is due to the new fund definitions under the GASB 54 pronouncement that was enacted for FY 11 and is described in more detail in Note 15 and Note 16 of the financial statements. As a result of the new fund definition for Special Revenue funds, \$1.9 million of ending fund balance was reallocated from the Special Revenue fund to the General Fund assigned fund balance. The remaining increase of \$1.1 million is generally due to revenues exceeding estimates, less government spending and lower than anticipated Board of Education staffing and benefit costs.
- Of the total General Fund balance as of June 30, 2011, \$14.9 million represents unassigned fund balance. Unassigned fund balance at year-end represents 14.7% of total FY 11 General Fund expenditures and transfers, and 15.3% of FY 12 budgeted expenditures and transfers.

## **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Windsor's finances, in a manner similar to private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the Town's overall financial status.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference reported as net assets. One can think of the Town's net assets - the difference between assets

and liabilities - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the Town is improving or deteriorating. It speaks to the question of whether or not the Town, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town of Windsor.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period; uncollected taxes are an example.

Both of the government-wide financial statements distinguish functions of the Town of Windsor that are 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).

Governmental activities of the Town of Windsor encompass most of the Town's basic services and include general government, public safety, public works, human services, culture and recreation, and education. Property taxes, charges for services, and state and federal grants finance most of these activities.

Business-type activities of the Town of Windsor include the Landfill, Milo Peck Child Development center, and the Caring Connection Adult Day Care center. They are reported here as the Town charges fees to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net assets and statement of activities) can be found on pages 13-14 of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three kinds of funds:

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

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

The Town maintains ten (10) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as other governmental funds. Non-major governmental funds for the Town of Windsor include the Community Development Block Grant, Cafeteria Fund, Educational Grant Programs, J.



Bartash Trust Fund, Treehouse Fund, Debt Service Fund, Other Special Revenue Funds and Open Space Fund. The report provides individual fund data for each of these non-major governmental funds in the combining balance sheets on pages 62-63 and in the combining statement of revenues, expenditures and changes in fund balance on pages 64-65.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statements of General Fund revenues on a budgetary basis and General Fund expenditures, encumbrances and transfers out on a budgetary basis can be found on page 57.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 15-16 of this report.

**Proprietary funds.** The Town of Windsor maintains two different types of proprietary funds, enterprise funds and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Windsor uses enterprise funds to account for its Landfill, Milo Peck Child Development center, and the Caring Connection Adult Day Care center.

Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town of Windsor's various functions. The Town of Windsor uses one (1) internal service fund to account for its risk management costs related to Workers' Compensation, Property, Liability, and Employee and Retiree Health Insurance. Because these internal services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Landfill Enterprise Fund which is considered to be the only major proprietary fund of the Town of Windsor. The report combines the Milo Peck Child Development center and the Caring Connection Adult Day Care center into the non-major funds of the Town of Windsor. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements. The proprietary fund financial statements can be found on pages 18-20 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the Town's constituency. The Town has one pension trust fund and three agency funds. The accounting used for fiduciary funds is similar to the accounting for proprietary funds. The basic fiduciary fund financial statements are in pages 21-22 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are in pages 23 to 54 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits and other post employment benefits to its employees. This information can be found on pages 55 and 56 of this report. Also now included in the required supplementary information is the budgetary-basis revenue and expenditure financial report and notes. This information can be found on pages 57-59.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town's governmental activities assets exceeded liabilities by \$84.1 million on June 30, 2011, which was a decrease of \$1.1 million.

**TOWN OF WINDSOR CONNECTICUT**  
**NET ASSETS (\$000's)**  
**June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2011	2010	2011	2010	2011	2010	2010-11
Current and other assets	\$ 51,973	\$ 42,868	\$ 30,478	\$ 29,497	\$ 82,451	\$ 72,365	13.9%
Capital assets, net of accumulated depreciation	102,643	102,214	186	177	102,829	102,391	0.4%
<b>Total Assets</b>	<b>154,616</b>	<b>145,082</b>	<b>30,664</b>	<b>29,674</b>	<b>185,280</b>	<b>174,756</b>	<b>6.0%</b>
Current liabilities	20,200	14,371	1,753	1,645	21,953	16,016	37.1%
Long-term liabilities outstanding	50,302	45,553	35,649	35,147	85,951	80,700	6.5%
<b>Total Liabilities</b>	<b>70,502</b>	<b>59,924</b>	<b>37,402</b>	<b>36,792</b>	<b>107,904</b>	<b>96,716</b>	<b>11.6%</b>
<b>Net Assets (Deficits):</b>							
Invested in capital assets, net of related debt	64,665	64,077	186	177	64,851	64,254	0.9%
Restricted	3,131	1,733	-	-	3,131	1,733	80.7%
Unrestricted	16,318	19,348	(6,925)	(7,295)	9,393	12,053	-22.1%
<b>Total Net Assets (Deficits)</b>	<b>\$ 84,114</b>	<b>\$ 85,158</b>	<b>\$ (6,739)</b>	<b>\$ (7,118)</b>	<b>\$ 77,375</b>	<b>\$ 78,040</b>	<b>-0.9%</b>

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$77.3 million in net assets for the government as a whole, but negative net assets for its business type activities. The negative value is solely attributable to the cost for accruing a pro rata portion of the closure and post-closure costs for the town's landfill.

By far, the largest portion of the Town of Windsor's net assets reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt that is still outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Windsor's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**TOWN OF WINDSOR CONNECTICUT**  
**CHANGES IN NET ASSETS (DEFICITS) (\$000's)**  
**For the Years Ended June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2009-10</u>
<b>Revenues:</b>							
Program Revenues:							
Charges for services	\$ 4,314	\$ 4,703	\$ 4,555	\$ 4,525	\$ 8,869	\$ 9,228	-3.9%
Operating grants and contributions	23,280	22,506	-	-	23,280	22,506	3.4%
Capital grants and contributions	476	1,385	-	-	476	1,385	-65.6%
General Revenues:							
Property taxes	78,392	75,412	-	-	78,392	75,412	4.0%
Grants not restricted to specific programs	1,997	2,573	-	-	1,997	2,573	-22.4%
Miscellaneous	2,278	1,280	-	-	2,278	1,280	197.0%
Unrestricted investment earnings	290	271	128	281	418	552	-24.3%
Insurance recovery	413	-	-	-	413	-	0.0%
<b>Total revenues</b>	<b>111,440</b>	<b>108,130</b>	<b>4,683</b>	<b>4,806</b>	<b>116,123</b>	<b>112,936</b>	<b>2.8%</b>
<b>Expenses:</b>							
General Government	11,525	10,040	-	-	11,525	10,040	14.8%
Culture & Recreation	4,109	4,009	-	-	4,109	4,009	2.5%
Human Services	1,509	1,614	-	-	1,509	1,614	-6.5%
Public Works	7,057	6,636	-	-	7,057	6,636	6.3%
Education	77,131	77,319	-	-	77,131	77,319	-0.2%
Public Safety	10,150	9,654	-	-	10,150	9,654	5.1%
Interest expense	1,146	1,255	-	-	1,146	1,255	-8.7%
Landfill	-	-	2,323	3,113	2,323	3,113	-25.4%
Child Development	-	-	1,295	1,234	1,295	1,234	4.9%
Adult Caring Connection	-	-	543	567	543	567	-4.2%
<b>Total expenses</b>	<b>112,627</b>	<b>110,527</b>	<b>4,161</b>	<b>4,914</b>	<b>116,788</b>	<b>115,441</b>	<b>1.2%</b>
<b>Excess of revenues over expenses before transfers</b>	<b>(1,187)</b>	<b>(2,397)</b>	<b>522</b>	<b>(108)</b>	<b>(665)</b>	<b>(2,505)</b>	<b>-73.5%</b>
Transfers	143	143	(143)	(143)	-	-	0.0%
<b>Change in net assets</b>	<b>(1,044)</b>	<b>(2,254)</b>	<b>379</b>	<b>(251)</b>	<b>(665)</b>	<b>(2,505)</b>	<b>-73.5%</b>
Net assets (deficits)-beginning	85,158	87,412	(7,118)	(6,867)	78,040	80,545	-3.1%
Net assets (deficits)-ending	<b>\$ 84,114</b>	<b>\$ 85,158</b>	<b>\$ (6,739)</b>	<b>\$ (7,118)</b>	<b>\$ 77,375</b>	<b>\$ 78,040</b>	<b>-0.9%</b>

## **Governmental Activities**

Approximately 70.6% of the revenues came from property taxes, followed by 23.2% from State and Federal Government revenues, then 6.2% from other revenue sources.

Major revenue factors included:

- Property tax revenues recorded for fiscal year 2011 were based on Town's tax rate increasing to 28.38 mills. The change reflected an increase in the annual budget and an increase in total budgeted assessed value of all taxable property of \$65,663,827 or 2.5% from the previous year due to phase-in.
- A reduction in the telecommunication property tax of \$248,000 due to changes in the State statute and cutbacks in State funding. The loss in this category was offset by property tax collections that were billed by the Town directly to the taxpayer (that were previously billed by the State of Connecticut).
- Increase in building permit revenue of \$135,000, mainly due to increased commercial renovation activity.

For Governmental Activities in FY 11, approximately 68.5% of the Town's expenses relate to education (versus 70.0% in FY 10), 9.0% (versus 8.7% in FY 10) relate to public safety, 10.2% (vs. 9.1% in FY 10) to general government, 6.3% (vs. 6.0% in FY 10) relate to public works, 3.6% (vs. 3.6% in FY 10) to culture and recreation, 1.3% (vs. 1.5% in FY 10) to human services, and 1.0% (vs. 1.1% in FY 10) to interest on long-term debt.

Major expense factors include:

- Non-affiliated administration employees salaries increased 2.5% and teamsters collective bargain group salaries increased 3.5%. Public safety dispatchers' salaries increased 3.75% and Police increased 3.0%.
- Employee health insurance costs for town employees rose approximately 6.0% for combined dental, health and prescription.
- The cost of education services decreased due to staffing and benefits savings.

## **Business-Type Activities**

- Business Type Activities net income was \$0.379 million for FY 11. This was due primarily to increased revenues from bulky waste and decreased expenses in utilities and fuel.

## **Financial Analysis of the Fund Financial Statements**

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

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

As of the end of the current fiscal year, the Town of Windsor's governmental funds reported combined ending fund balances of \$29.4 million, an increase of \$0.1 million from \$29.3 million the previous year. Approximately 50.8% of the total fund balance constitutes unassigned fund balance. The remainder of the fund balance is considered either nonspendable, restricted, committed, or assigned as defined by the

new GASB 54 fund balance definitions. These new fund balance definitions can be found in note 1 in the notes to the financial statements.

The General Fund is the chief operating fund of the Town of Windsor. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14.9 million, while total fund balance reached \$18.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.7% of total General Fund expenditures, while total fund balance represents 19.4% of that same amount.

As stated earlier, the fund balance of the Town of Windsor's General Fund increased by approximately \$2.8 million during the current fiscal year. Key factors in this increase are as follows:

- This increase is due to the new fund definitions under the GASB 54 pronouncement that was enacted for FY 11 and is described in more detail in note 15 and note 16 of the financial statements. As previously stated, \$1.9 million of ending fund balances was reallocated from the Special Revenue fund to the General Fund assigned fund balance due to the requirements of GASB 54.
- Property tax receipts were \$900 thousand above budgeted estimates, due to prior year collections and interest.
- Revenues from charges for services were \$182 thousand above budgeted estimates; revenues from licenses and permits were \$158 thousand above budgeted estimates; revenues from other agencies were \$335 thousand below budgeted estimates and intergovernmental revenues were \$154 thousand below budgeted estimates.
- Total departmental expenditures were \$1.1 million under budget.

The Capital Projects Fund has a total fund balance of \$6.9 million (\$1.4 million in assigned fund balance), which is a decrease from a balance of \$7.1 million in the prior year. The decrease is explained by the issuance of \$5.5 million of new general obligation bonds and short-term notes combined with \$6.0 million in capital project expenditures during the year.

**Proprietary funds.** The Town of Windsor's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net assets(deficits) of the Landfill Enterprise Fund at the end of the year were approximately \$(7.7) million with unrestricted net assets(deficits) of approximately \$(7.9) million compared to \$(8.1) million and \$(8.3) million in the prior year. The Landfill Enterprise Fund had a net gain during the year of approximately \$397 thousand compared with a net loss of \$292 thousand in the prior year. This is primarily due to increased revenues from bulky waste and decreased expenses in utilities, fuel and post-closure costs.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was approximately \$138 thousand. The additional appropriation approved during the year is summarized below:

- An additional appropriation of \$137,765 for Department of Public Works due to expenditures related to severe winter storms.

During the year, actual revenues, on a budgetary basis were approximately \$96.3 million, which exceeded budgetary estimates by approximately \$0.8 million. The major variances in revenues were:

- General property tax collections in excess of estimates by \$897,000
- Licenses and permits exceeded estimates by \$158,000
- Special education grant funds exceeded estimates by \$109,000
- Manufacturers inventory payment in-lieu of taxes fell short of estimates by \$248,000

Actual expenditures and transfers out on a budgetary basis and other financing uses totaled \$95.5 million, below actual revenues on a budgetary basis by approximately \$800 thousand.

## Capital Asset and Debt Administration

### Capital Assets

The Town of Windsor's investment in capital assets for its governmental and business type activities as of June 30, 2011, amounted to \$102.8 million (net of accumulated depreciation) compared to \$102.4 million in the prior fiscal year. This slight increase from the prior year is due to the new construction in progress less depreciation of existing assets. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges.

**TOWN OF WINDSOR CONNECTICUT  
CAPITAL ASSETS (net of depreciation)  
June 30, 2011**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 4,775	\$ -	\$ 4,775
Construction in Progress	8,428	-	8,428
Buildings and improvements	62,697	139	62,836
Infrastructure	22,352	-	22,352
Machinery and equipment	4,391	47	4,438
<b>Total</b>	<b>\$ 102,643</b>	<b>\$ 186</b>	<b>\$ 102,829</b>

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

- Hayden Station firehouse renovation
- Day Hill Road reconstruction
- Geothermal heating & cooling system at Northwest Park
- Open space purchase on Pigeon Hill Road
- Information technology upgrades

Additional information on the Town of Windsor's capital assets can be found in Note 4 of this report.

## **Debt Administration**

At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$38.5 million. 100% of this debt is backed by the full faith and credit of the Town government.

### **TOWN OF WINDSOR CONNECTICUT OUTSTANDING DEBT June 30, 2011**

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	<u>Governmental Activities</u>
General obligation bonds	<u>\$ 38,485,000</u>

The Town of Windsor's total bonded debt decreased by \$.245 million or 0.64% during the current fiscal year compared to a 1.0% decrease in the prior year.

The Town of Windsor general obligation bond ratings are AAA from Standard & Poor's and Aa1 from Moody's Investors Services. The AAA rating from Standard and Poor's was reaffirmed in April 2011 when the Town issued \$4.5 million of general obligation bonds and a one year bond anticipation note in the amount of \$1.0 million. The Moody's rating is a result of a recalibration process that occurred in FY 10.

The State of Connecticut limits the amount of general obligation debt that towns and cities can issue based on a formula determined under State Statutes and according to type of debt and the tax base. The Town's overall statutory debt limit is equal to seven times annual receipts from taxation or \$548 million, up from \$526 million in FY 10. As of June 30, 2011, the Town recorded long-term debt of \$38.5 million related to Governmental Activities, well below its statutory debt limits.

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

### **Economic Factors**

As of September 2011, the unemployment rate for the Windsor labor market area was 8.2%. The unemployment rate for the greater Hartford area as well as the State of Connecticut stood at 8.4%, and the overall national average was 9.1% for this same time period.

Although unemployment rates remain relatively high, the economy is showing some signs of relief, and The Town of Windsor is well-positioned to deal with the present economic situation. The Town relies heavily on property taxes, but this income stream has proved to be stable. State revenues make up a smaller portion of the Town's total revenue, but fortunately this revenue has seen only minor fluctuations in the current period. Even with an over-reliance on property taxes and no significant increases in state aid, the Town has been able to adjust expenditures accordingly and continue to provide high levels of service during the economic recession.

The Town has a high quality tax base consisting of a diverse mix of commercial and business enterprises, and this lends even more stability to the Town's revenue. The Town has maintained an active economic development program to attract and retain firms for well over a decade, and prides itself on a fast development approval process. Windsor has positioned itself as a destination address for office and commercial development, and this increased development will lend itself to an increase in the tax base in coming years. Statistics on growth for the last ten years is available in the statistical section of this report.

## **Requests for Information**

The Town of Windsor Comprehensive Annual Financial Report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances, and to demonstrate transparency and the Town's accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 275 Broad Street, Windsor, CT 06095.



## **Basic Financial Statements**



TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICITS)

June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total*
<b>Assets</b>			
Cash and cash equivalents	\$ 32,428,722	\$ 21,479,356	\$ 53,908,078
Investments	12,439,644	8,709,875	21,149,519
Receivables:			
Property taxes, net of allowance for collection losses	1,452,058	-	1,452,058
Accounts receivable	1,745,238	-	1,745,238
Customer receivables	1,367,754	345,550	1,713,304
Federal and state governments	572,802	-	572,802
Community rehabilitation loans, net	1,843,816	-	1,843,816
Inventories	43,849	-	43,849
Internal balances	60,000	(60,000)	-
Prepays	19,333	2,838	22,171
Capital assets, not being depreciated	13,202,530	-	13,202,530
Capital assets, being depreciated, net of depreciation	89,440,414	185,613	89,626,027
<b>Total assets</b>	<b>154,616,160</b>	<b>30,663,232</b>	<b>185,279,392</b>
<b>Liabilities</b>			
Accounts payable and accruals	6,548,352	253,381	6,801,733
BANS Payable	1,010,000	-	1,010,000
Accrued interest payable	519,071	-	519,071
Advance tax collections	7,209,589	-	7,209,589
Unearned revenues	220,293	16,561	236,854
Noncurrent liabilities:			
Due within one year	4,693,586	1,482,913	6,176,499
Due in more than one year	50,301,606	35,649,049	85,950,655
<b>Total liabilities</b>	<b>70,502,497</b>	<b>37,401,904</b>	<b>107,904,401</b>
<b>Net Assets (Deficits)</b>			
Investment in capital assets, net of related debt	64,665,367	185,613	64,850,980
Restricted	3,130,557	-	3,130,557
Unrestricted (deficit)	16,317,739	(6,924,285)	9,393,454
<b>Total net assets (deficits)</b>	<b>\$ 84,113,663</b>	<b>\$ (6,738,672)</b>	<b>\$ 77,374,991</b>

The notes to the financial statements are an integral part of this statement.

\* After internal receivables and payables have been eliminated.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ (11,524,755)	\$ 1,640,657	\$ 374,059	\$ 212,479	\$ (9,297,560)	\$ -	\$ (9,297,560)
Culture & recreation	(4,109,577)	715,831	238,632	-	(3,155,114)	-	(3,155,114)
Human services	(1,508,514)	150,042	136,100	-	(1,222,372)	-	(1,222,372)
Public works	(7,056,984)	225,617	221,571	262,473	(6,347,323)	-	(6,347,323)
Education	(77,130,965)	1,446,583	22,139,906	-	(53,544,476)	-	(53,544,476)
Public safety	(10,150,274)	135,567	169,971	-	(9,844,736)	-	(9,844,736)
Interest expense	(1,146,445)	-	-	-	(1,146,445)	-	(1,146,445)
<b>Total governmental activities</b>	<b>(112,627,514)</b>	<b>4,314,297</b>	<b>23,280,239</b>	<b>474,952</b>	<b>(84,558,026)</b>	<b>-</b>	<b>(84,558,026)</b>
Business-type activities:							
Landfill	(2,322,740)	2,595,208	-	-	-	272,468	272,468
Child development	(1,295,539)	1,324,437	-	-	-	28,898	28,898
Adult caring connection	(542,844)	635,673	-	-	-	92,829	92,829
<b>Total business-type activities</b>	<b>(4,161,123)</b>	<b>4,555,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394,195</b>	<b>394,195</b>
<b>Total primary government</b>	<b>\$ (116,788,637)</b>	<b>\$ 8,869,615</b>	<b>\$ 23,280,239</b>	<b>\$ 474,952</b>	<b>(84,558,026)</b>	<b>394,195</b>	<b>(84,163,831)</b>
General revenues:							
Property taxes					78,391,639	-	78,391,639
Grants and contributions not restricted to specific programs					1,997,469	-	1,997,469
Miscellaneous					2,278,004	-	2,278,004
Unrestricted investment earnings					290,418	128,419	418,837
Transfers out					143,220	(143,220)	-
Insurance recovery					413,000	-	413,000
<b>Total general revenues</b>					<b>83,513,750</b>	<b>(14,801)</b>	<b>83,498,949</b>
Change in net assets					(1,044,276)	379,394	(664,882)
Net assets (deficits) - beginning					85,157,939	(7,118,066)	78,039,873
Net assets (deficits) - ending					<b>\$ 84,113,663</b>	<b>\$ (6,738,672)</b>	<b>\$ 77,374,991</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2011**

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 20,084,466	\$ 6,579,729	\$ 2,047,045	\$ 28,711,240
Investments	8,148,412	2,668,079	650,896	11,467,387
Receivables (net of allowances for collection losses):				
Property taxes	1,452,058	-	-	1,452,058
Accounts receivable	300,707	1,145,164	299,367	1,745,238
State and Federal governments	572,802	-	-	572,802
Community rehabilitation loans, net	-	-	1,843,816	1,843,816
Due from other funds	289,220	60,000	33	349,253
Inventories	35,544	-	8,305	43,849
<b>Total assets</b>	<b>\$ 30,883,209</b>	<b>\$ 10,452,972</b>	<b>\$ 4,849,462</b>	<b>\$ 46,185,643</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 3,333,527	\$ 1,400,274	\$ 83,184	\$ 4,816,985
BANS Payable	-	1,010,000	-	1,010,000
Advanced tax collections	7,209,589	-	-	7,209,589
Unearned revenues	-	-	220,293	220,293
Deferred revenues	1,917,809	1,145,164	116,158	3,179,131
Due to other funds	53,326	-	289,220	342,546
<b>Total liabilities</b>	<b>12,514,251</b>	<b>3,555,438</b>	<b>708,855</b>	<b>16,778,544</b>
<b>Fund balances (deficits)</b>				
Nonspendable	35,544	-	21,305	56,849
Restricted	-	2,740,350	3,130,557	5,870,907
Committed	-	2,767,973	846,971	3,614,944
Assigned	3,395,259	1,389,211	148,144	4,932,614
Unassigned	14,938,155	-	(6,370)	14,931,785
<b>Total fund balances</b>	<b>18,368,958</b>	<b>6,897,534</b>	<b>4,140,607</b>	<b>29,407,099</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,883,209</b>	<b>\$ 10,452,972</b>	<b>\$ 4,849,462</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.	102,642,944
Deferred revenues are not available and therefore not recognized in the funds.	3,179,131
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(54,995,192)
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 included in governmental activities in the statement of net assets.	4,398,752
Accrued interest payable	(519,071)

Net assets of governmental activities

\$ 84,113,663

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2011

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 78,440,338	\$ -	\$ -	\$ 78,440,338
State and Federal governments	19,819,257	542,227	5,634,070	25,995,554
Charges for services	3,764,362	-	1,239,385	5,003,747
Investment income	243,289	30,674	16,455	290,418
Other	-	207,733	78,928	286,661
<b>Total revenues</b>	<b>102,267,246</b>	<b>780,634</b>	<b>6,968,838</b>	<b>110,016,718</b>
<b>EXPENDITURES</b>				
Current:				
Education	64,675,805	-	5,603,457	70,279,262
General government	10,508,186	-	1,114,379	11,622,565
Culture and recreation	3,562,735	-	133,595	3,696,330
Human services	1,339,342	-	179,146	1,518,488
Public safety	9,191,543	-	244,540	9,436,083
Public works	5,745,378	-	318,779	6,064,157
Debt service:				
Principal retirements	-	-	4,735,000	4,735,000
Interest and other charges	-	-	1,285,144	1,285,144
Capital outlay	-	5,997,630	-	5,997,630
<b>Total expenditures</b>	<b>95,022,989</b>	<b>5,997,630</b>	<b>13,614,040</b>	<b>114,634,659</b>
<b>Revenues over (under) expenditures</b>	<b>7,244,257</b>	<b>(5,216,996)</b>	<b>(6,645,202)</b>	<b>(4,617,941)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	113,220	499,200	5,895,588	6,508,008
Transfers out	(6,223,950)	(7,438)	(133,400)	(6,364,788)
Issuance of bonds	-	4,490,000	-	4,490,000
Premium on bonds issued	-	-	88,118	88,118
<b>Total other financing sources (uses)</b>	<b>(6,110,730)</b>	<b>4,981,762</b>	<b>5,850,306</b>	<b>4,721,338</b>
<b>Change in fund balances</b>	<b>1,133,527</b>	<b>(235,234)</b>	<b>(794,896)</b>	<b>103,397</b>
<b>FUND BALANCES</b> , beginning, as restated (Note 15)	<b>17,235,431</b>	<b>7,132,768</b>	<b>4,935,503</b>	<b>29,303,702</b>
<b>FUND BALANCES</b> , ending	<b>\$ 18,368,958</b>	<b>\$ 6,897,534</b>	<b>\$ 4,140,607</b>	<b>\$ 29,407,099</b>

The notes to the financial statements are an integral part of this statement.

**TOWN OF WINDSOR, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2011**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$ 103,397
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,329,101
Loss on impairment	(900,000)
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,010,299
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	458,162
Changes in some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(5,053,973)
The net income of certain activities of internal service funds is reported with governmental activities.	<u>2,008,738</u>
Change in net assets of governmental activities	<u>\$ (1,044,276)</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICITS) - PROPRIETARY FUNDS

June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Other			Activities
	Landfill	Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 20,731,996	\$ 747,360	\$ 21,479,356	\$ 3,717,482
Receivables:				
Customer receivables, net	255,752	89,798	345,550	1,367,754
Due from other funds	-	-	-	53,293
Prepaid expenses	-	2,838	2,838	19,333
Investments	8,406,821	303,054	8,709,875	972,257
<b>Total current assets</b>	<b>29,394,569</b>	<b>1,143,050</b>	<b>30,537,619</b>	<b>6,130,119</b>
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	157,326	28,287	185,613	-
<b>Total noncurrent assets</b>	<b>157,326</b>	<b>28,287</b>	<b>185,613</b>	<b>-</b>
<b>Total assets</b>	<b>29,551,895</b>	<b>1,171,337</b>	<b>30,723,232</b>	<b>6,130,119</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	205,593	47,788	253,381	33,583
Accrued claims payable	-	-	-	1,097,784
Accrued post closure costs	1,482,913	-	1,482,913	-
Unearned revenue	555	16,006	16,561	-
Due to other funds	-	60,000	60,000	-
<b>Total current liabilities</b>	<b>1,689,061</b>	<b>123,794</b>	<b>1,812,855</b>	<b>1,131,367</b>
Noncurrent liabilities:				
Accrued post closure costs	35,589,922	-	35,589,922	-
Compensated absences	10,082	49,045	59,127	-
Accrued claims payable	-	-	-	600,000
<b>Total noncurrent liabilities</b>	<b>35,600,004</b>	<b>49,045</b>	<b>35,649,049</b>	<b>600,000</b>
<b>Total liabilities</b>	<b>37,289,065</b>	<b>172,839</b>	<b>37,461,904</b>	<b>1,731,367</b>
<b>NET ASSETS (DEFICITS)</b>				
Invested in capital assets	157,326	28,287	185,613	-
Unrestricted	(7,894,496)	970,211	(6,924,285)	4,398,752
<b>Total net assets (deficits)</b>	<b>\$ (7,737,170)</b>	<b>\$ 998,498</b>	<b>\$ (6,738,672)</b>	<b>\$ 4,398,752</b>

The notes to the financial statements are an integral part of this statement.



TOWN OF WINDSOR, CONNECTICUT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS (DEFICITS) - PROPRIETARY FUNDS  
For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other	Total	Activities
		Nonmajor Enterprise Funds		Internal Service Fund
<b>OPERATING REVENUES</b>				
User charges	\$ 2,595,208	\$ 1,960,110	\$ 4,555,318	\$ 11,104,344
<b>Total operating revenues</b>	<u>2,595,208</u>	<u>1,960,110</u>	<u>4,555,318</u>	<u>11,104,344</u>
<b>OPERATING EXPENSES</b>				
Operations and maintenance	2,306,394	1,832,723	4,139,117	-
Claims	-	-	-	10,421,666
Depreciation	16,346	5,660	22,006	-
<b>Total operating expenses</b>	<u>2,322,740</u>	<u>1,838,383</u>	<u>4,161,123</u>	<u>10,421,666</u>
<b>Operating income</b>	<u>272,468</u>	<u>121,727</u>	<u>394,195</u>	<u>682,678</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	124,137	4,282	128,419	13,060
Transfers out	-	(143,220)	(143,220)	-
Insurance recovery	-	-	-	1,313,000
<b>Total nonoperating revenues (expenses)</b>	<u>124,137</u>	<u>(138,938)</u>	<u>(14,801)</u>	<u>1,326,060</u>
<b>Net income (loss)</b>	<u>396,605</u>	<u>(17,211)</u>	<u>379,394</u>	<u>2,008,738</u>
<b>NET ASSETS (DEFICITS), beginning</b>	<u>(8,133,775)</u>	<u>1,015,709</u>	<u>(7,118,066)</u>	<u>2,390,014</u>
<b>NET ASSETS (DEFICITS), ending</b>	<u>\$ (7,737,170)</u>	<u>\$ 998,498</u>	<u>\$ (6,738,672)</u>	<u>\$ 4,398,752</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor		Total	Activities
	Landfill	Enterprise Funds		Internal Service Fund
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 2,710,318	\$ 1,973,033	\$ 4,683,351	\$ 11,120,834
Payments to suppliers	(993,625)	(448,600)	(1,442,225)	(10,116,188)
Payments to employees	(682,578)	(1,401,154)	(2,083,732)	-
<b>Net cash provided by operating activities</b>	<b>1,034,115</b>	<b>123,279</b>	<b>1,157,394</b>	<b>1,004,646</b>
<b>Cash Flows From Noncapital Financing Activities</b>				
Payment of due to/from other funds	-	(30,000)	(30,000)	(13,003)
Transfers out	-	(143,220)	(143,220)	-
<b>Net cash used in noncapital financing activities</b>	<b>-</b>	<b>(173,220)</b>	<b>(173,220)</b>	<b>(13,003)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase of capital assets	(21,710)	(9,100)	(30,810)	-
<b>Net cash used in capital and related financing activities</b>	<b>(21,710)</b>	<b>(9,100)</b>	<b>(30,810)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>				
Interest received	124,137	4,282	128,419	13,060
Purchase of investments	(6,262,354)	(217,275)	(6,479,629)	(725,013)
<b>Net cash used in investing activities</b>	<b>(6,138,217)</b>	<b>(212,993)</b>	<b>(6,351,210)</b>	<b>(711,953)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,125,812)</b>	<b>(272,034)</b>	<b>(5,397,846)</b>	<b>279,690</b>
<b>Cash and Cash Equivalents</b>				
Beginning	25,857,808	1,019,394	26,877,202	3,437,792
Ending	<u>\$ 20,731,996</u>	<u>\$ 747,360</u>	<u>\$ 21,479,356</u>	<u>\$ 3,717,482</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
Operating income	\$ 272,468	\$ 121,727	\$ 394,195	\$ 682,678
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	16,346	5,660	22,006	-
Changes in assets and liabilities:				
Decrease in receivable accounts	114,555	16,163	130,718	16,490
Decrease (increase) in prepaid expenses	-	1,097	1,097	(2,496)
Increase (decrease) in accounts payable	117,011	(17,031)	99,980	(46,701)
Increase (decrease) in accrued liabilities	513,735	(4,337)	509,398	354,675
<b>Net cash provided by operating activities</b>	<u>\$ 1,034,115</u>	<u>\$ 123,279</u>	<u>\$ 1,157,394</u>	<u>\$ 1,004,646</u>
<b>Noncash item:</b>				
Insurance recovery receivable	\$ -	\$ -	\$ -	\$ 1,313,000

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2011

	Pension Trust Fund	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 830,034	\$ 720,387
Investments		
Common and preferred stock	11,321,718	-
Debt securities	13,396,780	-
Equity mutual funds	20,490,631	-
Corporate debt	4,660,273	-
<b>Total investments</b>	<u>49,869,402</u>	<u>-</u>
Contributions receivable	750,480	-
Other receivables	242,618	-
<b>Total assets</b>	<u>51,692,534</u>	<u>720,387</u>
<b>LIABILITIES</b>		
Accounts payable	-	720,387
<b>Net Assets Held in Trust for Pension Benefits and Others</b>	<u>\$ 51,692,534</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF WINDSOR, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - PENSION TRUST FUND

For the Year Ended June 30, 2011

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	Pension Trust Fund
<b>Additions</b>	
Contributions	
Employer	\$ 1,273,290
Plan members	360,880
<b>Total contributions</b>	<u>1,634,170</u>
Investment Income	
Net appreciation in fair value of investments	7,875,899
Interest and dividends	1,051,877
	<u>8,927,776</u>
Less investment expenses:	
Investment management fees	242,300
	<u>242,300</u>
<b>Total investment income</b>	<u>8,685,476</u>
<b>Deductions</b>	
Benefits	<u>2,707,039</u>
<b>Change in net assets</b>	7,612,607
<b>Net Assets</b>	
Beginning of year	<u>44,079,927</u>
End of year	<u>\$ 51,692,534</u>

The notes to the financial statements are an integral part of this statement.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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#### **Note 1. Summary of Significant Accounting Policies**

##### Reporting entity

The Town was founded by English settlers in 1633, making it the first town in the State of Connecticut. The Town operates under a Council-Manager form of government and provides the following services as authorized by its Charter: public safety, public works, sanitation, health and social services, culture-recreation, education, planning and zoning, and general administrative services. The Charter was most recently revised (via referendum) in 1998. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board Statement Codification Section 2100 have been considered and there are no agencies or entities, that should be, but are not, combined in the financial statements of the Town.

##### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary 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 or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

##### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow the accrual basis of accounting. 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 for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

#### Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Town's major governmental funds:

The *General Fund* is the Town's primary operating fund. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

The *Capital Project Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay.

The other governmental funds of the Town are considered nonmajor and are as follows:

The *Special Revenue Funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *Debt Service Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

#### Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows.

The Town reports the following major proprietary fund:

The *Landfill Fund* accounts for the operations of the Windsor-Bloomfield Sanitary Landfill.

Additionally, the Town reports the following proprietary fund:

The *Internal Service Fund* accounts for all general health, auto, fire, heart and hypertension, and workers' compensation insurance activity, including premiums and claims.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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#### Fiduciary Funds

The *Pension Trust Fund*, a fiduciary fund, accounts for the activities of the Town's defined pension benefit plan which accumulates resources for pension benefit payments to qualified employees upon retirement.

The *Agency Funds*, fiduciary funds, account for monies held as a custodian for outside student groups and agencies and are used for performance bonds, adult education and scholarships.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations, which include premium charges and claims. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for the funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### Accounting estimates

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

#### Property taxes

Property taxes are assessed as of October 1, and are levied for on the following July 1, and due in one installment, July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year.

Delinquent real estate taxes are billed at least twice a year, with interest charged at a rate of 1.5 percent per month. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years, at which time they cease to be carried as receivables. However, they remain valid claims for up to 15 years after being levied.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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#### Cash and cash equivalents

The Town classifies money market funds, STIF investments, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents.

#### Allowance for doubtful accounts

Accounts, notes receivable and community development loans are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay.

#### Investments

Investments for the Town are stated at fair value using quoted market prices. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

#### Inventories

Inventories are stated at cost, determined on the first-in, first-out basis.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost greater than \$5,000 depending on asset classification and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair value at the date of donation.

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

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



## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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

<u>Assets</u>	<u>Years</u>
Buildings	35-50
Building improvements	20
Distribution and collection systems	50-65
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

In the governmental fund financial statements, capital outlay (assets) is reported as an expenditure and no depreciation expense is reported.

#### Loans receivable

The Town records its loans receivable for the Community Rehabilitation Program in the Special Revenue Funds as the loan proceeds are advanced, net of an allowance for collectible accounts.

#### Compensated absences

Under the terms of its various union contracts, Town and Board of Education employees are granted vacation in varying amounts based on length of service. Sick leave does not vest. Town employees may carry over a limited number of unused vacation days (up to 30 days) to subsequent years and, in the event of termination, employees are reimbursed for accumulated vacation. Board of Education employees may carry over a limited number of unused vacation days to the next fiscal year.

Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are paid or due (matured). If an employee is retiring, limited accumulated unused sick leave is not paid but added to the credited service used to calculate pension benefits. The liability for the remainder of the accrued vacation earned and not due is reported in the government-wide and proprietary fund financial statements.

The General Fund is typically used to liquidate the liability for compensated absences.

#### Long-term obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond principal premiums and discounts, as well as issuance costs, 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 and deferred gains/losses on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Bond principal payments are recorded as expenditures. 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

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Landfill closure and post-closure

The Town accounts for the cost and estimated costs for closure and post-closure care costs in its Landfill Fund. The Landfill Fund is an enterprise fund. Enterprise funds account for the estimated total current costs of landfill closure and post-closure and are recognized as an expense and liability in each period in which the landfill accepts solid waste. Estimated total current costs are based on use.

#### Pension accounting

##### **Pension Trust Fund**

The Pension Trust Fund is reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

##### **Governmental Activities**

Expenditures are recognized when they are paid or are expected to be paid with current available resources.

##### **Funding Policy**

The Town funds the contributions to its pension plans based on the actuarial required contribution.

#### **Net other post-employment benefit obligations**

In fiscal year 2009, the Town implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions." This pronouncement required the Town to calculate and record a net other post-employment benefit obligation (NOPEBO) at June 30, 2009. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008. The Town makes annual contributions based upon budgetary decisions using the actuarial valuation.

#### Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

All other General Fund appropriations lapse at year-end.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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#### Net assets

In the Government-Wide and Proprietary Fund Financial Statements, net assets are classified in the following categories:

*Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

*Restricted Net Assets* – This category represents the net assets of the Town, which are restricted by external parties (creditors, grantors, contributors or laws and regulations).

*Unrestricted Net Assets (Deficit)* – This category represents the net assets of the Town, which are not restricted for any project or other purpose. A deficit will require future funding.

#### Fund Balance

In the government fund financial statements, the Town classified fund balances as follows:

- Nonspendable Fund Balance – Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted Fund Balance - These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- Committed Fund Balance – This represents amounts constrained prior to year-end for a specific purpose by a government using its highest level of decision-making authority (Town of Windsor Town Council).
- Assigned Fund Balance – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts.
- Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 38,485,000
Compensated absences	754,345
Deferred amounts on refunding, net	(528,219)
OPEB	14,532,920
Deferred premiums, net of amortization	<u>1,751,146</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 54,995,192</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 6,740,918
Depreciation expense	<u>(5,411,817)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,329,101</u>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 4,490,000
Bond premium	(328,868)
Deferred amounts on refundings	115,706
Principal repayments:	
General obligation debt	<u>(4,735,000)</u>
Net adjustment to decrease net changes in fund balances -	
total governmental funds to arrive at changes in net assets of	
governmental activities	<u>\$ (458,162)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Change in:	
Compensated absences	\$ 6,504
OPEB obligation	4,971,553
Accrued interest	162,582
Claims payable	<u>(86,666)</u>
Net adjustment to increase net changes in fund balances – total	
governmental funds to arrive at changes in net assets of	
governmental activities	<u>\$ 5,053,973</u>

**Note 3. Cash, Cash Equivalents and Investments**

Deposits: The Town has a policy that deposits can include demand accounts, savings accounts and certificates of deposits. The Town’s policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk based capital ratio.

Investments: Town policy for eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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three rating categories of any nationally recognized rating service. The Town does not have a custodial credit risk policy for investments.

The Town has an investment policy for its pension funds providing an asset allocation average, over a full market cycle, of approximately 70% equities (or equivalents) and 30% fixed income and cash (or equivalents). For purposes of this document, a full market cycle is defined by the Board to be no less than three years, or more than seven years. However, within a market cycle, investment allocation should not exceed the following:

- a. No more than twenty-five percent (25%) of the portfolio, at fair value, is to be invested in any one of eleven (11) major industrial groups as defined by SEI's Funds Evaluation service (see appendix A for SEI/S&P industry sectors). No more than ten percent (10%) of the market value of the total portfolio shall be held in equity securities of any one corporation. The investment manager shall have full discretion as to the selection of individual equity issues. The Committee reserves the right to impose restrictions if the occasion arises (i.e. social investing criteria).
- b. Fixed income investments should be made only in obligations of the U.S. Government, Agencies of the U.S. Government and U.S. Corporations whose debt obligations are minimally rated Baa by Moody's or BBB by Standard and Poors'. The fixed income portfolio should be diversified between issuers within each sector with no one issuer comprising more than 15% of the aggregate fixed income portfolio. This does not apply to issues of the U.S. Treasury or other Federal Agencies. The investment manager shall have full discretion as to the selection of the individual fixed income issues. The Committee reserves the right to impose restrictions if the occasion arises (i.e. social investing criteria).
- c. Cash reserves should be invested only in the highest quality issues, i.e., U.S. Treasury Bills, U.S. Government and Government Agency Obligations, certificates of deposit, bankers acceptances and repurchase agreements with major U.S. money center banks, denominated in dollars, commercial paper rated A-1 by Standard and Poors' and P-1 by Moody's.
- d. Consistent with the desire for adequate diversification, the investment policy is based on the assumption that the volatility of the portfolio will be similar to that of the market. Consequently, it is expected that the volatility of the total portfolio, in aggregate, will be reasonably close to the volatility of a commitment-weighted composite of market indices.
- e. There is no requirement for the investment manager to maintain liquid reserves for the payment of pension benefits. This will be evaluated on an annual basis by the Committee.

Interest rate risk: The Town's policy, which includes the Pension Trust Fund, is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011, approximately \$69,768,000 of the Town's bank balance of approximately \$79,575,000 was uninsured and uncollateralized.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and the pension trust funds do not have custodial credit risk policies for investments.

Cash and investments of the Town consist of the following at June 30, 2011:

**Cash and Cash Equivalents**

Deposits with financial institutions	\$	76,465,995
MBIA		78,019
State Short-Term Investment Fund		64,004
<b>Total cash and cash equivalents</b>		<u>76,608,018</u>
Less: Certificates of deposits classified as investments		<u>(21,149,519)</u>
		<u>55,458,499</u>

**Pension Trust Funds:**

U.S. Government Securities	2,341,359	*
U.S. Government Agencies	6,861,729	*
Corporate Debt	4,660,273	*
Common and Preferred Stocks	11,321,718	*
Equity Mutual Funds	20,490,631	
Municipal Bonds	4,193,692	*
<b>Total pension investments</b>	<u>49,869,402</u>	

**Total cash, cash equivalents and investments** \$ 126,477,420

\* These investments are uninsured and unregistered, with securities held by the counterparty, in the Town's or Pension Trust's name.

Cash and investments are classified in the accompanying financial statements as follows:

**Statement of Net Assets**

Cash and cash equivalents	\$	53,908,078
Investments		21,149,519
		<u>75,057,597</u>

**Fiduciary Funds:**

Cash and cash equivalents	1,550,421
Investments	49,869,402
	<u>51,419,823</u>

**Total cash and investments** \$ 126,477,420

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

*Interest rate risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities		
		Less Than 1 Year	1-5 Years	6-10 Years
U.S. Government Securities	\$ 2,341,359	\$ 503,085	\$ 1,838,274	\$ -
U.S. Government Agencies	6,861,729	2,709,209	4,152,520	-
Corporate Debt	4,660,273	785,205	3,875,068	-
Municipal Bonds	4,193,692	-	2,372,224	1,821,468
Pooled Fixed Income	142,023	142,023	-	-
Total	<u>\$ 18,199,076</u>	<u>\$ 4,139,522</u>	<u>\$ 12,238,086</u>	<u>\$ 1,821,468</u>

**Credit Risk:** Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town does not have a formal policy for credit risk or investment risk. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Pooled Fixed Income	U.S. Government Agencies	Corporate Debt	Municipal Bonds
AAA	\$ -	\$ 6,861,729	1,025,230	-
AAA <sub>m</sub>	142,023	-	-	-
AA <sub>+</sub>	-	-	812,760	-
AA	-	-	-	1,472,700
AA <sub>-</sub>	-	-	-	1,552,072
A	-	-	785,205	-
A <sub>-</sub>	-	-	552,730	-
BBB <sub>+</sub>	-	-	613,720	-
BBB	-	-	439,320	-
BBB <sub>-</sub>	-	-	431,308	-
Unrated	-	-	-	1,168,920
Total	<u>\$ 142,023</u>	<u>\$ 6,861,729</u>	<u>\$ 4,660,273</u>	<u>\$ 4,193,692</u>



TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Note 4. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,398,567	\$ 376,342	\$ -	\$ 4,774,909
Construction in progress	4,603,007	5,098,320	1,273,706	8,427,621
Total capital assets, not being depreciated	9,001,574	5,474,662	1,273,706	13,202,530
Capital assets, being depreciated:				
Buildings and improvements	117,790,084	48,848	1,100,000	116,738,932
Machinery and equipment	17,900,495	1,468,895	149,509	19,219,881
Infrastructure	91,457,676	1,022,219	-	92,479,895
Total capital assets being depreciated	227,148,255	2,539,962	1,249,509	228,438,708
Less accumulated depreciation for:				
Buildings and improvements	51,382,601	2,859,721	200,000	54,042,322
Machinery and equipment	14,192,058	785,865	149,509	14,828,414
Infrastructure	68,361,327	1,766,231	-	70,127,558
Total accumulated depreciation	133,935,986	5,411,817	349,509	138,998,294
Total capital assets, being depreciated, net	93,212,269	(2,871,855)	900,000	89,440,414
<b>Governmental activities capital assets, net</b>	<b>\$ 102,213,843</b>	<b>\$ 2,602,807</b>	<b>\$ 2,173,706</b>	<b>\$ 102,642,944</b>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 399,711	\$ 10,695	\$ -	\$ 410,406
Machinery and equipment	3,089,310	20,114	-	3,109,424
Total capital assets, being depreciated	3,489,021	30,809	-	3,519,830
Less accumulated depreciation for:				
Buildings and improvements	265,373	6,012	-	271,385
Machinery and equipment	3,046,838	15,994	-	3,062,832
Total accumulated depreciation	3,312,211	22,006	-	3,334,217
Total business-type capital assets, net	\$ 176,810	\$ 8,803	\$ -	\$ 185,613

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

<b>Governmental activities:</b>	
Board of Education	\$ 3,393,683
General Government	235,955
Culture and Recreation	457,326
Human Services	74,486
Public Works	688,013
Public Safety	562,354
Total depreciation expense – governmental activities	<u>\$ 5,411,817</u>
<b>Business-type activities:</b>	
Landfill	\$ 16,346
Adult Caring Connection	5,660
Total depreciation expense – business-type activities	<u>\$ 22,006</u>

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Note 5. Interfund Receivables, Payables and Transfers**

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2011 is presented below:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 289,220	\$ 53,326
Capital Projects	60,000	-
Non-Major Governmental Funds	33	289,220
Other Nonmajor Enterprise Funds	-	60,000
Internal Service Fund	53,293	-
	<u>\$ 402,546</u>	<u>\$ 402,546</u>

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

Interfund transfers during the year ended June 30, 2011 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 113,220	\$ 6,223,950
Capital Projects	499,200	7,438
Non-Major Governmental Funds	5,895,588	133,400
Other Nonmajor Enterprise Funds	-	143,220
	<u>\$ 6,508,008</u>	<u>\$ 6,508,008</u>

Transfers from the General Fund to the Debt Service Fund represent the Town's payment toward debt service on bonds outstanding. The remaining transfers primarily consisted of financing by the General Fund of programs accounted for in other funds in accordance with budgetary authorizations.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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**Note 6. Unearned Revenue/Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred revenue reported in the governmental funds and governmental activities were as follows:

	Deferred Revenues	Unearned Revenues
	<hr/>	<hr/>
<b>General Fund</b>		
Property taxes	\$ 1,228,339	\$ -
School construction grant receivable	572,802	-
Other receivables	116,668	-
	<hr/>	<hr/>
	1,917,809	-
	<hr/>	<hr/>
<b>Capital Project Fund</b>		
Grant receivables	1,145,164	-
	<hr/>	<hr/>
<b>Other Nonmajor Governmental Funds</b>		
Other receivables	116,158	-
Prepaid program fees	-	220,293
	<hr/>	<hr/>
	116,158	220,293
	<hr/>	<hr/>
<b>Total</b>	<hr/>	<hr/>
	\$ 3,179,131	\$ 220,293
	<hr/>	<hr/>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Note 7. Long-Term Liabilities**

A summary of changes in outstanding long-term obligations during the year ended June 30, 2011 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 38,730,000	\$ 4,490,000	\$ 4,735,000	\$ 38,485,000	\$ 4,505,000
Premiums on refunding	2,080,014	-	328,868	1,751,146	-
Less deferred amount on refunding	(643,925)	-	(115,706)	(528,219)	-
	<u>40,166,089</u>	<u>4,490,000</u>	<u>4,948,162</u>	<u>39,707,927</u>	<u>4,505,000</u>
Other long-term liabilities:					
Compensated absences	747,841	749,422	742,918	754,345	188,586
Other post-employment benefits	9,561,367	4,971,553	-	14,532,920	-
Claims payable	86,666	-	86,666	-	-
	<u>10,395,874</u>	<u>5,720,975</u>	<u>829,584</u>	<u>15,287,265</u>	<u>188,586</u>
<b>Governmental activity long-term liabilities</b>	<u>\$ 50,561,963</u>	<u>\$ 10,210,975</u>	<u>\$ 5,777,746</u>	<u>\$ 54,995,192</u>	<u>\$ 4,693,586</u>
<b>Business-type activities:</b>					
Other long-term liabilities:					
Compensated absences	\$ 87,887	\$ 79,512	\$ 88,564	\$ 78,835	\$ 19,708
Landfill post closure costs	36,542,876	529,959	-	37,072,835	1,482,913
<b>Total other long-term liabilities</b>	<u>36,630,763</u>	<u>609,471</u>	<u>88,564</u>	<u>37,151,670</u>	<u>1,502,621</u>
<b>Business-type activity long-term liabilities</b>	<u>\$ 36,630,763</u>	<u>\$ 609,471</u>	<u>\$ 88,564</u>	<u>\$ 37,151,670</u>	<u>\$ 1,502,621</u>

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

General obligation bonds

As of June 30, 2011, the outstanding general obligation bonds of the Town was as follows:

Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2011
<b>GENERAL PURPOSE</b>					
PUBLIC IMPROVEMENTS	\$227,000-\$234,000	1991	6.4-6.6	\$ 4,165,000	\$ 229,000
PUBLIC IMPROVEMENTS	\$125,000-\$180,000	2007	4.0-5.5	1,555,000	150,000
PUBLIC IMPROVEMENTS	\$202,000-\$1,505,000	2008	3.25-5.0	3,508,000	1,306,000
PUBLIC IMPROVEMENTS REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	8,806,000	7,388,000
PUBLIC IMPROVEMENTS	\$225,000-\$425,000	2010	3.0-4.0	3,980,000	3,635,000
PUBLIC IMPROVEMENTS REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,096,000	6,096,000
PUBLIC IMPROVEMENTS	\$232,000-\$350,000	2011	2.5-3.5	3,450,000	3,450,000
<b>TOTAL GENERAL PURPOSE</b>				<b>31,560,000</b>	<b>22,254,000</b>
<b>SCHOOLS</b>					
SCHOOL GEN. OBLIGATION	\$46,000-\$53,000	1991	6.4-6.6	\$ 835,000	\$ 46,000
SCHOOL GEN. OBLIGATION	\$202,000-\$1,505,000	2008	3.25-5.0	235,000	69,000
SCHOOL REFUNDING	\$190,000-\$1,330,000	2009	2.0-4.0	9,819,000	8,202,000
SCHOOL GEN. OBLIGATION	\$225,000-\$425,000	2010	3.0-4.0	700,000	665,000
SCHOOL REFUNDING	\$130,000-\$1,580,000	2010	3.0-5.0	6,209,000	6,209,000
SCHOOL GEN. OBLIGATION	\$232,000-\$350,000	2011	2.5-3.5	1,040,000	1,040,000
<b>TOTAL SCHOOLS</b>				<b>18,838,000</b>	<b>16,231,000</b>
<b>GRAND TOTAL</b>				<b>\$ 50,398,000</b>	<b>\$ 38,485,000</b>

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

The following is a summary as of June 30, 2011, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal	Interest	Total
2012	\$4,505,000	\$1,312,165	\$5,817,165
2013	3,990,000	1,174,919	5,164,919
2014	3,965,000	1,045,000	5,010,000
2015	3,655,000	924,450	4,579,450
2016	3,785,000	794,363	4,579,363
2017	3,745,000	642,263	4,387,263
2018	3,575,000	501,219	4,076,219
2019	3,225,000	373,675	3,598,675
2020	3,220,000	252,038	3,472,038
2021	1,560,000	160,700	1,720,700
2022	1,145,000	112,325	1,257,325
2023	1,145,000	72,250	1,217,250
2024	745,000	34,375	779,375
2025	225,000	9,000	234,000
Total	<u>\$38,485,000</u>	<u>\$7,408,742</u>	<u>\$45,893,742</u>

School bond reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2011 was approximately \$338,000. Additional payments for principal and interest aggregating approximately \$614,611 are expected to be received through the bonds maturity.

Debt limitation

The Town's indebtedness (including authorized but unissued bonds, net of principal reimbursements expected from the State, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 176,276,903	\$ 24,874,000	\$ 151,402,903
Unfunded Pension Benefit Obligation	235,035,870	-	235,035,870
Schools	352,553,805	16,298,198	336,255,607
Sewers	293,794,838	-	293,794,838
Urban renewal	254,622,193	-	254,622,193

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$548,417,030.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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Prior years' debt defeasance

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the basic financial statements. At June 30, 2011, the Town's portion of defeased bonds outstanding, but removed from the Town's government-wide financial statements was approximately \$2,280,000.

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2011 consists of the following:

General purpose	<u>\$2,250,000</u>
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Bond anticipation notes

In April 2011, the Town issued \$1,010,000 in bond anticipation notes, which have an interest rate of 2.0% and will mature in April 2012.

Bond anticipation note transactions for the year ended June 30, 2011 were as follows:

Outstanding, July 1, 2010	\$ -
New Borrowings	1,010,000
Outstanding, June 30, 2011	<u><u>\$ 1,010,000</u></u>

**Note 8. Employee Retirement Plans**

Employee pension plans

The Town maintains the Town of Windsor Retirement Plan, a public employee retirement system (PERS), which covers all Town employees (except police officers) and all employees of the Board of Education not eligible for membership in the State of Connecticut Teacher's Retirement Plan.

The Town participates in the statewide Municipal Employees' Retirement Fund B, a multiple-employer, cost-sharing public employee retirement system that covers all of the police officers of the Town.

The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan (non-contributory for the employer) administered by the Connecticut State Teachers' Retirement Board.

Town of Windsor Retirement Plan

Plan Description

All Town employees (except police officers and certified members of the Board of Education) participate in this PERS, a single-employer, defined benefit pension plan, established and administered by the Town Council and Board of Education (through the Pension Committee) to provide pension, disability, and death benefits to plan members and their beneficiaries. The Town Charter and State statutes provide the authority to establish and amend benefit provisions. The PERS is considered to be part of the Town's



**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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financial reporting entity and is included in the Town's financial reports as a pension trust fund. Stand-alone financial statements are not issued.

All full-time employees are required to join the PERS. Employees are 100 percent vested after the completion of five years of service. The retirement benefit is 1.75% of the average monthly earnings (36 consecutive months) times years of service for normal retirement benefits. Active employees with ten years of credited service who become permanently and totally disabled receive a benefit determined in the same manner as a normal retirement benefit based on credited service and average monthly earnings to the date of the disability. If the disability is a result of the employee's employment with the Town, the ten year requirement is waived.

Prior to 1999-2000, the PERS did not provide for cost of living adjustments to benefits in years subsequent to retirement. Cost of living adjustments were paid to retirees at the discretion of the Town Council and were paid directly by the General Fund. Effective July 1, 2000, such payments are paid from the PERS and the percentage increase is set to match that given to Social Security recipients.

The membership in the PERS at July 1, 2009 is comprised of the following:

Retirees and beneficiaries currently receiving benefits	153
Vested terminated employees	25
Active employees:	
Fully vested	250
Non-vested	117
<b>Total</b>	<u>545</u>

**Funding Policy**

The contribution requirements of plan members are established and may be amended by the Town Council and Board of Education, subject to union contract negotiation. Employees are required to contribute 2.25% of their earnings up to the social security wage base plus five percent of the excess, to the PERS. If an employee leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees. As determined by the Town's actuaries, the current rate is 8.02% of annual covered payroll. The direct management costs of the plan (fund manager, trustee) are paid for by the Pension Fund. The Town pays the cost of monitoring the plan (advisor) and administering its plan (actuary) through an additional annual budget appropriation. The benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

**Annual Pension Cost and Net Pension Obligation**

The Town's annual pension cost and net pension asset to the PERS for the year ended June 30, 2011 were as follows:

Annual required contribution	\$ 1,273,290
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>1,273,290</u>
Contributions made	<u>(1,273,290)</u>
Decrease in net pension asset	-
Net pension asset, July 1, 2010	-
Net pension asset, June 30, 2011	<u><u>\$ -</u></u>

**TREND INFORMATION**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/09	\$ 834,453	100%	\$ -
6/30/10	\$ 843,833	100%	\$ -
6/30/11	\$ 1,273,290	100%	\$ -

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Overfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	\$ 52,671,376	\$ 50,355,944	\$ 2,315,432	104.6%	\$ 15,875,106	0.0%

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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Actuarial assumptions are as follows:

Valuation date	7/1/09
Actuarial cost method	Projected Unit
Amortization method	Level percent
Remaining amortization period	30 Years (decreasing)
Asset valuation method	10-Year Smoothed Market (closed)
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.0%
Cost of living adjustments	2.25%

#### Connecticut Municipal Employees' Retirement Fund B

All uniformed police officers of the Town of Windsor participate in the Connecticut Municipal Employees' Retirement Fund B (MERF), a defined benefit cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

Funding Policy – Plan members are required by State statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 13.5% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to MERF for the years ended June 30, 2011, 2010 and 2009 were \$857,865, \$664,302 and \$615,739, equal to the required contributions for each year.

#### Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$4,464,000 for the year ended June 30, 2011.

#### **Note 9. Other Post-Employment Benefits**

In addition to providing pension benefits, the Town instituted a policy providing 50% to 75% of certain health care benefits for retired employees. Substantially all of the Town's employees may become eligible for those benefits, if they retire under a normal retirement or with disability.

##### Post retirement benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of postemployment healthcare in the year when the employee services are received, disclosed the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

##### Plan description

The Town provides post-employment benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2009. The post-retirement plan does not issue stand-alone financial reports.

The contribution requirements of plan members and the Town are established and may be amended by the Town.

Membership in the plan consisted of the following at July 1, 2009, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	262
Active plan members	<u>720</u>
<b>Total</b>	<u><u>982</u></u>

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Town's contributions represent payments made for premiums for insured individuals on a pay-as-you-go method.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 6,389,000	\$ 1,898,000	29.71%	\$ 4,491,000
6/30/10	\$ 7,155,367	\$ 2,085,000	29.14%	\$ 9,561,367
6/30/11	\$ 7,038,553	\$ 2,067,000	29.37%	\$ 14,532,920

OPEB Obligation

Annual required contribution	\$ 7,118,000
Interest on net pension obligation	382,455
Adjustment to annual required contribution	(461,902)
Annual OPEB cost	<u>7,038,553</u>
Contributions made	<u>2,067,000</u>
Increase in net OPEB liability	4,971,553
Net OPEB obligation, beginning of year	<u>9,561,367</u>
Net OPEB obligation, end of year	<u><u>\$ 14,532,920</u></u>

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%	28,688,520	N/A

Actuarial assumptions are as follows:

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent
Remaining Amortization Period:	30 Years (decreasing), 20 years (decreasing) (non-police)
Valuation Type:	Closed Group

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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Actuarial Assumptions:

Discount rate	4.00%
Inflation rate	3.00%
Salary increase rate	3.00%
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:
	Initial inflation rate: 6.6%
	Ultimate inflation rate: 4.7%
	Years until ultimate inflation rate 82 years

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

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

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

**Note 10. Risk Management**

The Town self-insures its liability for workers' compensation claims to a limit of \$500,000/employee. Aggregate claims in excess of that amount up to \$20,000,000, as well as any individual claim up to \$1,000,000 are fully insured. Workers' Compensation Trust, a fully qualified, third party administrator, is the current administrator of the program and assists management in determining the liability at year-end. As employee claims are processed and certified for payment by the third party administrator, payment is made out of the Internal Service Fund. The accrued liability made for this purpose is determined annually based on prior experience and the amount of unsettled claims outstanding on an actuarial basis.

The following is a schedule of changes in the aggregate liabilities for claims:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2009-10	\$ 1,179,378	\$ 2,811,786	\$ 2,648,055	\$ 1,343,109
2010-11	\$ 1,343,109	\$ 4,467,155	\$ 4,112,480	\$ 1,697,784

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program.

Employee health/medical claims are fully insured through Anthem Blue Cross/Blue Shield of Connecticut and CIGNA Corporation. Funds are transferred into the Insurance Internal Service Fund from other funds and are available to pay the health/medical premium costs.

The Town has commercial general liability and auto liability with levels of coverage of \$3,000,000 and \$1,000,000, respectively, with umbrella coverage up to \$15.0 million. There have been no significant reductions in insurance coverage from the level of coverage in the prior year. Furthermore, for the past three fiscal years, no settlements have exceeded insurance coverage.

The Town maintains a limited risk management program for general liability, auto and fire losses. Property and casualty risks are fully insured except for the general environmental liability exposure represented by the landfill, which is essentially uninsurable.

#### **Note 11. Contingent Liabilities**

The Town has received State and Federal grants for specific purposes that are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewage collection and disposal facilities for members), the Town is contingently liable for \$25,536,932 or 8.94% of the debt of the District Fund Deficits.

#### Lawsuits

Various litigations, principally involving claims for personal injury and contested tax assessment, are pending against the Town. The outcome and eventual liability of the Town, if any, in these cases are not known at this time. The Town's management estimated that potential claims against the Town resulting from such litigation not covered by insurance would not have a material adverse effect on the financial position of the Town.

#### **Note 12. Landfill Closure and Post-closure Care Costs**

State and federal laws and regulations require the Town to place a final cover on its 65 acre landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for at least thirty years after closure. Under these regulations, the landfill has established a horizontal footprint of 55 acres which is now the basis of maximum horizontal expansion without providing a liner system.

Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the Landfill Enterprise Fund reports a portion of these closure and post-closure costs as an operating expense in each period based on the landfill capacity used as of each balance sheet date. The \$37,072,835 reported as landfill closure and post-closure care liability at June 30, 2011, is \$529,959 more than the liability reported on June 30, 2010. Due to revised engineer estimates (regarding settling of the landfill and a more efficient redesign of the final shape of the landfill), the proportion of the landfill used is now estimated at 97%. This increase or adjustment in estimated closure costs accrued to date directly decreases the operating income for the Landfill Enterprise Fund in fiscal year 2011. The landfill will recognize the remaining estimated cost of closure and post-closure care of \$1,327,165 as the

**TOWN OF WINDSOR, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2011**

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remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care at 2011 prices with a third party performing all closure work. Actual costs may also change based on inflation, compliance with the standing consent order, changes in technology, or changes in the regulations. The engineering analysis assumes that numerous engineering and construction procedures will be required.

The landfill serves the Towns of Bloomfield and Windsor. An agreement (dated November 19, 1993) exists between the two communities. This agreement establishes the terms and conditions of operating the landfill. For closure costs, the agreement states "The two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure, and monitoring expenses until all Federal and State requirements are met". It is anticipated that no additional amount will be required from the Towns upon closure of the landfill.

The landfill is currently operating under a consent order issued by the Department of Environmental Protection (DEP) that addresses the detail needs of the regulations, including the control and monitoring of leachate and landfill generated gases. It is expected that this process may result in collecting leachate from the groundwater and treating the effluent.

**Note 13. Fund Deficits**

The following funds had net fund deficits as of June 30, 2011:

Landfill Fund	<u>\$7,737,170</u>
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The deficits will be funded by future operations.



TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

**Note 14. Fund Balances**

In fiscal year 2011, the Town adopted GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The details for the Town's fund balance are the following:

	General Fund	Capital Projects	Nonmajor Governmental Funds
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Inventory	\$ 35,544	\$ -	\$ 8,305
Permanent Fund Principal	-	-	13,000
<b>Total nonspendable</b>	<b>35,544</b>	<b>-</b>	<b>21,305</b>
<b>Restricted:</b>			
Education	-	-	3,775
General government	-	-	55,954
Culture & Recreation	-	-	103,809
Human Services	-	-	192,096
Public safety	-	-	228,373
Public works	-	-	702,734
Community Rehabilitation Program	-	-	1,843,816
Capital Outlay	-	2,740,350	-
<b>Total restricted</b>	<b>-</b>	<b>2,740,350</b>	<b>3,130,557</b>
<b>Committed:</b>			
Capital Outlay	-	2,767,973	354,121
Debt service	-	-	492,850
<b>Total committed</b>	<b>-</b>	<b>2,767,973</b>	<b>846,971</b>
<b>Assigned:</b>			
Education	281,097	-	16,525
General government	192,803	-	-
Culture & Recreation	702,773	-	-
Human Services	72,620	-	-
Public safety	675,604	-	-
Public works	420,362	-	-
Community Rehabilitation Program	-	-	131,619
Capital Outlay	150,000	1,389,211	-
Future Appropriations	900,000	-	-
<b>Total assigned</b>	<b>3,395,259</b>	<b>1,389,211</b>	<b>148,144</b>
<b>Unassigned:</b>	<b>14,938,155</b>	<b>-</b>	<b>(6,370)</b>
<b>Total fund balance</b>	<b>\$ 18,368,958</b>	<b>\$ 6,897,534</b>	<b>\$ 4,140,607</b>

TOWN OF WINDSOR, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2011

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**Note 15. Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented during the year ended June 30, 2011. The effect of fund type reclassification is as follows:

	General Fund	Nonmajor Governmental Funds
Fund balance, June 30, 2010, as previously reported	\$ 15,557,923	\$ 6,613,011
Change in fund type classification per implementation of GASB Statement No. 54	<u>1,677,508</u>	<u>(1,677,508)</u>
Fund balance, July 1, 2010, as restated	<u>\$ 17,235,431</u>	<u>\$ 4,935,503</u>

**Note 16. Governmental Accounting Standards Board (GASB) Statements**

The Town adopted the following statements during the year ended June 30, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.** This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As explained in Notes 14 and 15 to the basic financial statements, the Town reclassified the fund balances for governmental funds and restated the General Fund and the Nonmajor Governmental Funds fund balance by \$1,667,508 as a result of the implementation of this Statement.
- GASB Statement No. 59, *Financial Instruments Omnibus*.** This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, Accounting and Financial Reporting for Derivative Instruments, and applying the reporting provisions for interest-earning investment contracts of GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. The Town included additional disclosures for their external investment pools.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2011

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The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans***, was issued in December 2009. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement amends Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, to permit certain OPEB plans to use an alternative measurement method. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, requirement that a defined benefit OPEB plan obtain an actuarial valuation. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. The provisions of this Statement will be effective for the Town beginning with its year ending June 30, 2012.
- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.
- **GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34***, issued November 2010, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.

## TOWN OF WINDSOR, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2011

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- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***, issued January 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***, issued July 2011, will be effective for the Town beginning with its year ending June 30, 2013. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- **GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*** (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the Town beginning with its year ending June 30, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

**Required Supplementary  
Information**



**TOWN OF WINDSOR, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
PENSION TRUST FUND  
June 30, 2011**

***Schedule of Funding Progress***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2004	\$ 40,520,462	\$ 34,163,256	\$ 6,357,206	118.6%	\$ 13,274,916	0.0%
July 1, 2005	42,994,540	37,665,616	5,328,924	114.2%	14,101,531	0.0%
July 1, 2006	45,594,279	41,130,295	4,463,984	110.9%	14,776,977	0.0%
July 1, 2007	48,961,596	43,855,272	5,106,324	111.6%	15,265,451	0.0%
July 1, 2008	51,029,433	45,790,887	5,238,546	111.4%	15,671,874	0.0%
July 1, 2009	52,671,376	50,355,944	2,315,432	104.6%	15,875,106	0.0%

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2006	\$ 789,843	100.0%
2007	737,493	100.0%
2008	827,855	100.0%
2009	834,453	100.0%
2010	843,833	100.0%
2011	1,273,290	100.0%

**TOWN OF WINDSOR, CONNECTICUT**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST-EMPLOYMENT BENEFITS  
June 30, 2011**

***Schedule of Funding Progress***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2009	\$ -	\$ 72,896,000	\$ (72,896,000)	0.0%	\$ 28,688,520	N/A

***Schedule of Employer Contributions***

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 6,389,000	29.71%
2010	7,185,000	29.02%
2011	7,118,000	29.04%



TOWN OF WINDSOR, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BUDGETARY  
 FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 77,543,754	\$ 77,543,754	\$ 78,440,338	\$ 896,584
Licenses and permits	550,700	550,700	708,578	157,878
Fines, forfeitures and penalties	42,000	42,000	43,379	1,379
Other agencies	514,453	514,453	179,399	(335,054)
Intergovernmental	15,494,573	15,494,573	15,340,171	(154,402)
Revenues from use of assets	580,880	580,880	592,930	12,050
Charges for services	687,170	687,170	869,069	181,899
<b>Total revenues</b>	<b>95,413,530</b>	<b>95,413,530</b>	<b>96,173,864</b>	<b>760,334</b>
<b>EXPENDITURES</b>				
Current:				
General government	960,580	960,580	926,559	34,021
Safety Service	8,641,680	8,641,680	8,578,347	63,333
Public works	5,172,380	5,310,145	5,182,777	127,368
Health Services	518,480	518,480	471,241	47,239
Human Services	854,260	854,260	784,328	69,932
Recreation and Leisure Services	1,308,310	993,360	988,343	5,017
Education	60,724,650	60,606,050	60,179,372	426,678
Town support for education	4,280,680	1,687,410	1,666,820	20,590
Library services	1,515,940	1,515,940	1,444,689	71,251
Development services	1,709,210	1,709,210	1,674,188	35,022
Information services	433,130	433,130	428,125	5,005
Administrative services	1,928,950	1,928,950	1,786,296	142,654
Community development	25,000	25,000	25,000	-
General services	8,368,500	4,739,020	4,694,877	44,143
<b>Total expenditures</b>	<b>96,441,750</b>	<b>89,923,215</b>	<b>88,830,962</b>	<b>1,092,253</b>
<b>Revenues over (under) expenditures</b>	<b>(1,028,220)</b>	<b>5,490,315</b>	<b>7,342,902</b>	<b>1,852,587</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	128,220	128,220	113,220	(15,000)
Transfers out	-	(6,656,300)	(6,656,300)	-
<b>Total other financing sources (uses)</b>	<b>128,220</b>	<b>(6,528,080)</b>	<b>(6,543,080)</b>	<b>(15,000)</b>
<b>Net change in budgetary fund balance</b>	<b>\$ (900,000)</b>	<b>\$ (1,037,765)</b>	<b>799,822</b>	<b>\$ 1,837,587</b>
<b>BUDGETARY FUND BALANCE, beginning</b>			<b>15,223,877</b>	
<b>BUDGETARY FUND BALANCE, ending</b>			<b>\$ 16,023,699</b>	

The notes to the financial statements are an integral part of this statement.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2011**

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**Note 1. Budgets and Budgetary Accounting**

General Fund

Budget policies in accordance with the Town Charter, Chapter 8, Sections 8-1 through 8-4, are as follows:

- A. Prior to April 1, the Town Manager submits the proposed budget for the General Fund to the Town Council.
- B. After various public hearings, the Town Council recommends the budget, as revised, for adoption at the annual Town Meeting on the first Tuesday in May.
- C. The Town Meeting appropriates the budget as one balance for revenues and separate expenditure amounts per individual service unit. Additional appropriations and transfers between functions and activities may be made by the Town Council in accordance with Town Charter provisions, thereby lowering the legal level of control to the function and activity levels. The level at which expenditures may not legally exceed appropriations is at the department level, i.e., safety, service, public works, etc.
- D. The original budget for expenditures, encumbrances and other financing uses was increased by approximately \$138,000 as a result of fund balance and revenue appropriations during the year ended June 30, 2011. The additional appropriations were approved in accordance with the Town Charter.
- E. A reconciliation of General Fund operations presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") to the amounts presented on the budgetary basis is as follows:

	Revenues and Transfers	Expenditures and Transfers
Balance, GAAP basis	\$ 102,380,466	\$ 101,246,939
State Teachers Retirement payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(4,464,000)	(4,464,000)
Reclassified to General Fund, as funds were previously reported as Special Revenue Funds, and no longer meet the definition in accordance with GASB 54.	(1,629,382)	(1,387,164)
Encumbrances:		
June 30, 2010	-	(334,036)
June 30, 2011	-	425,523
Balance, budgetary basis	<u>\$ 96,287,084</u>	<u>\$ 95,487,262</u>

- F. Classifications of certain revenues and expenditures under GAAP differ from classifications utilized for budgetary purposes.

**TOWN OF WINDSOR, CONNECTICUT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION, Continued**  
**June 30, 2011**

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Special revenue funds

The Town does not have legally adopted annual budgets for its special revenue funds, including the Debt Service Fund. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the State or other grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital projects funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects.

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**Supplemental and Combining  
Nonmajor Fund Statements and Schedules**



## **Nonmajor Governmental Funds**

## **NONMAJOR GOVERNMENTAL FUNDS**

### ***Special Revenue Funds***

Special revenue funds are used to account for and report specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

**Educational Grant Programs:** Cover all specially financed education programs under grants received from the Federal or State government.

**Cafeteria:** Accounts for revenue and expenditures of the food service operations in the Windsor Public Schools

**Community Rehabilitation Program:** Accounts for block grants received from the United States Department of Housing and Urban Development.

**J. Bartash Expendable Trust Fund:** is used to account for a bequest made to the Town by a former resident.

**Treehouse Fund:** Accounts for revenue and expenditures for before and after school childcare provided by the school system.

**Other Special Revenue Funds:** Account for intergovernmental and private grants for various special projects administered by the Town.

**Capital Project - Open Space:** Accounts for funds received through donations and appropriations from the General Fund for the acquisition and improvement of open space.

### ***Debt Service Funds***

**Debt Service Fund:** Accounts for all debt service transactions.



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TOWN OF WINDSOR, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2011

	Special Revenue		
	Educational Grant Program	Cafeteria	Community Rehabilitation Program
<b>ASSETS</b>			
Cash and cash equivalents	\$ 316,527	24,229	\$ 95,296
Community rehabilitation loans, net	-	-	1,843,816
Accounts receivable	-	140,612	2,703
Due from other funds	33	-	-
Inventories	-	8,305	-
Investments	-	-	38,642
<b>Total assets</b>	<b>\$ 316,560</b>	<b>173,146</b>	<b>\$ 1,980,457</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 54,360	15,784	\$ 5,022
Unearned revenue	220,293	-	-
Deferred revenue	-	-	-
Due to other funds	41,907	155,427	-
<b>Total liabilities</b>	<b>316,560</b>	<b>171,211</b>	<b>5,022</b>
Fund balances (deficits)			
Nonspendable	-	8,305	-
Restricted	-	-	1,843,816
Committed	-	-	-
Assigned	-	-	131,619
Unassigned	-	(6,370)	-
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>1,935</b>	<b>1,975,435</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 316,560</b>	<b>173,146</b>	<b>\$ 1,980,457</b>

Special Revenue			Capital Projects	Debt Service	
J. Bartash Trust Fund	Treehouse	Other Special Revenue Funds	Open Space	Debt Service	Totals
\$ 16,775	\$ 74,074	\$ 918,060	\$ 251,426	\$ 350,658	\$ 2,047,045
-	-	-	-	-	1,843,816
-	156,052	-	-	-	299,367
-	-	-	-	-	33
-	-	-	-	-	8,305
-	-	367,367	102,695	142,192	650,896
<u>\$ 16,775</u>	<u>\$ 230,126</u>	<u>\$ 1,285,427</u>	<u>\$ 354,121</u>	<u>\$ 492,850</u>	<u>\$ 4,849,462</u>
\$ -	\$ 5,557	\$ 2,461	\$ -	\$ -	\$ 83,184
-	-	-	-	-	220,293
-	116,158	-	-	-	116,158
-	91,886	-	-	-	289,220
-	213,601	2,461	-	-	708,855
13,000	-	-	-	-	21,305
3,775	-	1,282,966	-	-	3,130,557
-	-	-	354,121	492,850	846,971
-	16,525	-	-	-	148,144
-	-	-	-	-	(6,370)
<u>16,775</u>	<u>16,525</u>	<u>1,282,966</u>	<u>354,121</u>	<u>492,850</u>	<u>4,140,607</u>
<u>\$ 16,775</u>	<u>\$ 230,126</u>	<u>\$ 1,285,427</u>	<u>\$ 354,121</u>	<u>\$ 492,850</u>	<u>\$ 4,849,462</u>

TOWN OF WINDSOR, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ending June 30, 2011

	Special Revenue		
	Educational Grant Programs	Cafeteria	Community Rehabilitation Program
<b>REVENUES</b>			
Intergovernmental	\$ 2,895,521	\$ 970,015	\$ 581,378
Sale of food	-	1,213,400	-
Income from investments	-	48	9,410
Charges for services	-	-	-
Other	-	9,708	177
<b>Total revenues</b>	<b>2,895,521</b>	<b>2,193,171</b>	<b>590,965</b>
<b>EXPENDITURES</b>			
General government	-	-	719,576
Culture & recreation	-	-	-
Human Services	-	-	-
Education	2,895,521	2,188,404	-
Public works	-	-	-
Public safety	-	-	-
Debt service	-	-	-
<b>Total expenditures</b>	<b>2,895,521</b>	<b>2,188,404</b>	<b>719,576</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>4,767</b>	<b>(128,611)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Premium on bonds issued	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in fund balances (deficits)</b>	<b>-</b>	<b>4,767</b>	<b>(128,611)</b>
<b>FUND BALANCES (DEFICITS), beginning, as restated (Note 15)</b>	<b>-</b>	<b>(2,832)</b>	<b>2,104,046</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ -</b>	<b>\$ 1,935</b>	<b>\$ 1,975,435</b>

Special Revenue			Capital Projects	Debt Service	
J. Bartash Trust Fund	Treehouse	Other Special Revenue Funds	Open Space	Debt Service	Totals
\$ -	\$ 527,538	\$ 659,618	\$ -	\$ -	\$ 5,634,070
-	-	-	-	-	1,213,400
45	-	5,572	1,380	-	16,455
-	-	21,960	4,025	-	25,985
-	-	67,370	-	1,673	78,928
45	527,538	754,520	5,405	1,673	6,968,838
-	-	14,562	380,241	-	1,114,379
-	-	133,595	-	-	133,595
-	-	179,146	-	-	179,146
300	519,232	-	-	-	5,603,457
-	-	318,779	-	-	318,779
-	-	244,540	-	-	244,540
-	-	-	-	6,020,144	6,020,144
300	519,232	890,622	380,241	6,020,144	13,614,040
(255)	8,306	(136,102)	(374,836)	(6,018,471)	(6,645,202)
-	-	-	7,438	5,888,150	5,895,588
-	-	-	-	(133,400)	(133,400)
-	-	-	-	88,118	88,118
-	-	-	7,438	5,842,868	5,850,306
(255)	8,306	(136,102)	(367,398)	(175,603)	(794,896)
17,030	8,219	1,419,068	721,519	668,453	4,935,503
\$ 16,775	\$ 16,525	\$ 1,282,966	\$ 354,121	\$ 492,850	\$ 4,140,607

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**Enterprise Funds**

## **ENTERPRISE FUNDS**

Enterprise funds are maintained to account for the Town's ongoing organizations and activities that are similar to those found in the private sector. The Town's two nonmajor enterprise funds are:

Child Development – Accounts for the operations of the Windsor Child Development Center which provides day care services to Town residents and to employees of businesses located in Windsor.

Adult Caring Connection – Accounts for the operations of the Windsor Adult Caring Center which provides for the needs of the elderly and handicapped adults of the Town.



TOWN OF WINDSOR, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS

NONMAJOR ENTERPRISE FUNDS

June 30, 2011

	Child Development	Adult Caring Connection	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 413,619	\$ 333,741	\$ 747,360
Customer receivable, net	5,525	84,273	89,798
Prepaid expenses	2,838	-	2,838
Investments	167,723	135,331	303,054
<b>Total current assets</b>	<b>589,705</b>	<b>553,345</b>	<b>1,143,050</b>
Noncurrent Assets:			
Capital assets (net of accumulated depreciation)	-	28,287	28,287
<b>Total assets</b>	<b>589,705</b>	<b>581,632</b>	<b>1,171,337</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	37,899	9,889	47,788
Unearned revenue	16,006	-	16,006
Due to other funds	-	60,000	60,000
<b>Total current liabilities</b>	<b>53,905</b>	<b>69,889</b>	<b>123,794</b>
Noncurrent liabilities:			
Compensated absences	42,327	6,718	49,045
<b>Total noncurrent liabilities</b>	<b>42,327</b>	<b>6,718</b>	<b>49,045</b>
<b>Total liabilities</b>	<b>96,232</b>	<b>76,607</b>	<b>172,839</b>
<b>NET ASSETS</b>			
Invested in capital assets	-	28,287	28,287
Unrestricted	493,473	476,738	970,211
<b>Total net assets</b>	<b>\$ 493,473</b>	<b>\$ 505,025</b>	<b>\$ 998,498</b>

TOWN OF WINDSOR, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS

For the Year Ending June 30, 2011

	Child Development	Adult Caring Connection	Total
<b>Operating Revenues</b>			
Charges for services	\$ 1,324,437	\$ 635,673	\$ 1,960,110
<b>Operating Expenses</b>			
Salaries and benefits	1,003,477	380,570	1,384,047
Depreciation	-	5,660	5,660
Administrative expenses	67,556	41,092	108,648
Repairs and maintenance	16,672	-	16,672
Fuel and utilities	20,187	121	20,308
Outside services	72,307	44,401	116,708
Rent expense	115,340	71,000	186,340
<b>Total operating expenses</b>	<b>1,295,539</b>	<b>542,844</b>	<b>1,838,383</b>
<b>Operating income</b>	<b>28,898</b>	<b>92,829</b>	<b>121,727</b>
<b>Nonoperating Revenues (Expenses)</b>			
Transfers out	-	(143,220)	(143,220)
Interest income	2,343	1,939	4,282
<b>Total nonoperating revenues (expenses)</b>	<b>2,343</b>	<b>(141,281)</b>	<b>(138,938)</b>
<b>Change in net assets</b>	<b>31,241</b>	<b>(48,452)</b>	<b>(17,211)</b>
<b>Net Assets</b> , beginning of year	<b>462,232</b>	<b>553,477</b>	<b>1,015,709</b>
<b>Net Assets</b> , end of year	<b>\$ 493,473</b>	<b>\$ 505,025</b>	<b>\$ 998,498</b>

TOWN OF WINDSOR, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS

For the Year Ended June 30, 2011

	Child Development	Adult Caring Connection	Totals
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 1,317,502	\$ 655,531	\$ 1,973,033
Payments to suppliers	(290,094)	(158,506)	(448,600)
Payments to employees	(1,011,860)	(389,294)	(1,401,154)
<b>Net cash provided by operating activities</b>	<b>15,548</b>	<b>107,731</b>	<b>123,279</b>
<b>Cash Flows From Noncapital Financing Activities</b>			
Due to other funds	-	(30,000)	(30,000)
Transfers out	-	(143,220)	(143,220)
<b>Net cash used in noncapital financing activities</b>	<b>-</b>	<b>(173,220)</b>	<b>(173,220)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Purchases of capital assets	-	(9,100)	(9,100)
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>(9,100)</b>	<b>(9,100)</b>
<b>Cash Flows From Investing Activities</b>			
Interest received	2,343	1,939	4,282
Purchase of investments	(122,311)	(94,964)	(217,275)
<b>Net cash used in investing activities</b>	<b>(119,968)</b>	<b>(93,025)</b>	<b>(212,993)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(104,420)</b>	<b>(167,614)</b>	<b>(272,034)</b>
<b>Cash and Cash Equivalents</b>			
Beginning	518,039	501,355	1,019,394
Ending	<b>\$ 413,619</b>	<b>\$ 333,741</b>	<b>\$ 747,360</b>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating income	\$ 28,898	\$ 92,829	\$ 121,727
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	5,660	5,660
Changes in assets and liabilities:			
Increase (decrease) in accounts receivable	(3,695)	19,858	16,163
Decrease in prepaid expenses	1,097	-	1,097
Decrease in accounts payable	(6,415)	(10,616)	(17,031)
Decrease in unearned revenue	(4,337)	-	(4,337)
<b>Net cash provided by operating activities</b>	<b>\$ 15,548</b>	<b>\$ 107,731</b>	<b>\$ 123,279</b>

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**Fiduciary Funds**

## FIDUCIARY FUNDS

**Fiduciary Funds** – are used to account for assets held in a trustee capacity for others and include Agency Funds.

**Agency Funds** – are used to account for various Board of Education and Town activities. They are custodial in nature (assets equal liabilities) and are as follows:

- Student Activity Fund
- Adult Education
- Performance Bonds
- Town Escrow
- Scholarship Fund

TOWN OF WINDSOR, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS

For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>EDUCATION ESCROW</b>				
Assets				
Cash and cash equivalents	\$ 913,345	\$ 1,588,956	\$ 2,502,301	\$ -
Liabilities				
Accounts payable	\$ 913,345	\$ 1,588,956	\$ 2,502,301	\$ -
<b>STUDENT ACTIVITY FUNDS</b>				
Assets				
Cash and cash equivalents	\$ 196,611	\$ 655,445	\$ 632,429	\$ 219,627
Liabilities				
Accounts payable	\$ 196,611	\$ 655,445	\$ 632,429	\$ 219,627
<b>ADULT EDUCATION</b>				
Assets				
Cash and cash equivalents	\$ 32,554	\$ 20,611	\$ 18,111	\$ 35,054
Liabilities				
Accounts payable	\$ 32,554	\$ 20,611	\$ 18,111	\$ 35,054
<b>PERFORMANCE BONDS</b>				
Assets				
Cash and cash equivalents	\$ 539,884	\$ 295,323	\$ 456,103	\$ 379,104
Liabilities				
Accounts payable	\$ 539,884	\$ 295,323	\$ 456,103	\$ 379,104
<b>TOWN ESCROW</b>				
Assets				
Cash and cash equivalents	\$ 5,382	\$ 6	\$ -	\$ 5,388
Liabilities				
Accounts payable	\$ 5,382	\$ 6	\$ -	\$ 5,388

(Continued)

TOWN OF WINDSOR, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS, Continued  
For the Year Ended June 30, 2011

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	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>SCHOLARSHIP FUNDS</b>				
Assets				
Cash and cash equivalents	\$ 84,160	\$ 1,054	\$ 4,000	\$ 81,214
Liabilities				
Accounts payable	\$ 84,160	\$ 1,054	\$ 4,000	\$ 81,214
<b>TOTAL AGENCY FUNDS</b>				
Assets				
Cash and cash equivalents	\$ 1,771,936	\$ 2,561,395	\$ 3,612,944	\$ 720,387
Liabilities				
Accounts payable	\$ 1,771,936	\$ 2,561,395	\$ 3,612,944	\$ 720,387



## **Capital Asset Schedule**



TOWN OF WINDSOR, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -  
NET OF DEPRECIATION

June 30, 2011

	Land	Buildings	Machinery and Equipment	Construction in Progress	Infrastructure	Totals
General Government	\$ 586,763	\$ 1,022,328	\$ 645,934	\$ -	\$ -	\$ 2,255,025
Education	324,612	45,520,058	750,624	-	-	46,595,294
Culture and recreation	1,799,890	8,220,482	507,810	-	-	10,528,182
Human services	300,544	479,366	140,200	-	-	920,110
Public services	312,078	6,431,260	1,661,658	-	-	8,404,996
Public works	1,451,022	1,023,116	685,241	8,427,621	22,352,337	33,939,337
<b>Total</b>	<b>\$ 4,774,909</b>	<b>\$ 62,696,610</b>	<b>\$ 4,391,467</b>	<b>\$ 8,427,621</b>	<b>\$ 22,352,337</b>	<b>\$ 102,642,944</b>

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**Other Schedules**



TOWN OF WINDSOR, CONNECTICUT

BALANCE SHEET - BY ACCOUNT - GENERAL FUND

June 30, 2011

	General Fund	Other Programs	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,672,874	\$ 1,411,592	\$ 20,084,466
Investments	7,571,847	576,565	8,148,412
Receivables (net of allowances for collection losses):			
Property taxes	1,452,058	-	1,452,058
Accounts receivable	182,157	118,550	300,707
State and Federal governments	572,802	-	572,802
Due from other funds	289,220	-	289,220
Inventories	35,544	-	35,544
<b>Total assets</b>	<b>\$ 28,776,502</b>	<b>\$ 2,106,707</b>	<b>\$ 30,883,209</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 3,258,284	\$ 75,243	\$ 3,333,527
Advance tax collections	7,209,589	-	7,209,589
Deferred revenue	1,806,081	111,728	1,917,809
Due to other funds	53,326	-	53,326
<b>Total liabilities</b>	<b>12,327,280</b>	<b>186,971</b>	<b>12,514,251</b>
<b>FUND BALANCES</b>			
Nonspendable	35,544	-	35,544
Assigned	1,475,523	1,919,736	3,395,259
Unassigned	14,938,155	-	14,938,155
<b>Total fund balances</b>	<b>16,449,222</b>	<b>1,919,736</b>	<b>18,368,958</b>
<b>Total liabilities and fund balances</b>	<b>\$ 28,776,502</b>	<b>\$ 2,106,707</b>	<b>\$ 30,883,209</b>

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY ACCOUNT - GENERAL FUND  
 For the Year Ended June 30, 2011

	General Fund	Other Programs	Eliminate Interfund Receivables	Totals
<b>REVENUES</b>				
Property taxes	\$ 78,440,338	\$ -	\$ -	\$ 78,440,338
State and Federal governments	19,819,257	-	-	19,819,257
Charges for services	2,142,999	1,621,363	-	3,764,362
Investment income	235,270	8,019	-	243,289
<b>Total revenues</b>	<b>100,637,864</b>	<b>1,629,382</b>	<b>-</b>	<b>102,267,246</b>
<b>EXPENDITURES</b>				
Current:				
Education	64,592,104	83,701	-	64,675,805
General Government	10,477,705	30,481	-	10,508,186
Culture and Recreation	2,481,702	1,081,033	-	3,562,735
Human Services	1,255,570	83,772	-	1,339,342
Public Safety	8,672,207	519,336	-	9,191,543
Public Works	5,724,197	21,181	-	5,745,378
<b>Total expenditures</b>	<b>93,203,485</b>	<b>1,819,504</b>	<b>-</b>	<b>95,022,989</b>
<b>Revenues over (under) expenditures</b>	<b>7,434,379</b>	<b>(190,122)</b>	<b>-</b>	<b>7,244,257</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	113,220	453,550	(453,550)	113,220
Transfers out	(6,656,300)	(21,200)	453,550	(6,223,950)
<b>Net other financing sources (uses)</b>	<b>(6,543,080)</b>	<b>432,350</b>	<b>-</b>	<b>(6,110,730)</b>
<b>Net change in fund balances</b>	<b>891,299</b>	<b>242,228</b>	<b>-</b>	<b>1,133,527</b>
<b>FUND BALANCES</b> , beginning of year July 1, 2010	<b>15,557,923</b>	<b>1,677,508</b>	<b>-</b>	<b>17,235,431</b>
<b>FUND BALANCES</b> , end of year June 30, 2011	<b>\$ 16,449,222</b>	<b>\$ 1,919,736</b>	<b>\$ -</b>	<b>\$ 18,368,958</b>



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TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
For the Year Ended June 30, 2011

Grand List Year	Balance Uncollected July 1, 2010	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2009	\$ -	\$ 77,529,991	\$ 387,598	\$ (170,506)	\$ -	\$ 77,747,083
2008	1,037,133	-	87,021	(20,160)		1,103,994
2007	331,306	-	88,259	(4,560)	(167,475)	247,530
2006	64,838	-	57	(2,539)	(57)	62,299
2005	34,900	-	607	(2,525)	(132)	32,850
2004	10,889	-	125	(2,474)	(125)	8,415
2003	7,065	-	225	(2,498)	-	4,792
2002	3,128	-	307	(2,268)	-	1,167
2001	3,038	-	298	(2,202)	-	1,134
2000	717	-	-	-	-	717
1999	632	-	-	-	-	632
1998	869	-	-	-	-	869
1997	800	-	-	-	-	800
1996	653	-	-	-	-	653
1995	619	-	-	-	-	619
	<u>\$ 1,496,587</u>	<u>\$ 77,529,991</u>	<u>\$ 564,497</u>	<u>\$ (209,732)</u>	<u>\$ (167,789)</u>	<u>\$ 79,213,554</u>

Suspense collections

Total collections

Collections				Balance Uncollected June 30, 2011
Taxes	Interest	Fees	Total	
\$ 76,655,975	\$ 309,293	\$ 1,200	\$ 76,966,468	\$ 1,091,108
748,647	180,171	2,470	931,288	355,347
197,411	58,791	648	256,850	50,119
40,935	18,149	216	59,300	21,364
24,955	17,264	96	42,315	7,895
1,052	979	24	2,055	7,363
-	-	-	-	4,792
-	-	-	-	1,167
-	-	-	-	1,134
-	-	-	-	717
-	-	-	-	632
-	-	-	-	869
-	-	-	-	800
-	-	-	-	653
-	-	-	-	619
<u>77,668,975</u>	<u>584,647</u>	<u>4,654</u>	<u>78,258,276</u>	<u>1,544,579</u>
Less: Allowance for doubtful accounts				<u>350,000</u>
				<u>\$ 1,194,579</u>
<u>45,439</u>	<u>41,568</u>	<u>6</u>	<u>87,014</u>	
<u>\$ 77,714,414</u>	<u>\$ 626,215</u>	<u>\$ 4,660</u>	<u>\$ 78,345,290</u>	

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF CHANGES IN BOND INDEBTEDNESS

For the Year Ended June 30, 2011

Description	Interest Rate (%)	Year	Maturity	Amount
Bonded debt:				
Public Improvements	6.4/6.5/6.6	1991	7/15/11	\$ 1,832,000
School General Obligation Bonds	6.4/6.5/6.6	1991	7/15/11	368,000
Refunding bonds of 2009	2.75/5.00	2004	7/15/09	1,726,000
School Refunding	2.0/5.0	2004	7/15/19	7,274,000
Public Improvements	4.0/5.0	2006	6/15/16	2,000,000
Public Improvements	4.0/5.0	2007	6/15/17	1,555,000
Public Improvements	3.25-5.0	2008	6/15/23	3,508,000
School-Poquonock	3.25-5.0	2008	6/15/23	235,000
Public Improvements Refunding	2.0/2.5/4.0	2009	8/01/19	8,806,000
School Refunding	2.0/2.5/4.0	2009	8/01/19	9,819,000
School General Obligation Bond	2.0/4.0	2010	4/15/25	700,000
Public Improvements	2.0/4.0	2010	4/15/25	3,980,000
School Refunding	3.0/5.0	2010	7/15/23	6,209,000
Public Improvements Refunding	3.0/5.0	2010	7/15/23	6,096,000
School General Obligation Bond	2.25/3.5	2011	4/1/24	1,040,000
Public Improvements	2.25/3.5	2011	4/1/24	3,450,000

**TOTAL**

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
\$	458,000	\$ -	\$ 229,000	\$ 229,000
	92,000	-	46,000	46,000
	162,000	-	162,000	-
	563,000	-	563,000	-
	225,000	-	225,000	-
	300,000	-	150,000	150,000
	1,607,000	-	301,000	1,306,000
	93,000	-	24,000	69,000
	8,629,000	-	1,241,000	7,388,000
	9,616,000	-	1,414,000	8,202,000
	700,000	-	35,000	665,000
	3,980,000	-	345,000	3,635,000
	6,209,000	-	-	6,209,000
	6,096,000	-	-	6,096,000
	-	1,040,000	-	1,040,000
	-	3,450,000	-	3,450,000
\$	38,730,000	\$ 4,490,000	\$ 4,735,000	\$ 38,485,000

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**Statistical Section**

# ***Statistical Section***

This part of the Town of Windsor, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

## **Contents**

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### ***Revenue Capacity***

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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



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**TOWN OF WINDSOR, CONNECTICUT**

**Net Assets By Component**

**Last Nine Fiscal Years**

*(accrual basis of accounting)*

	Fiscal Year		
	2003	2004	2005
Governmental activities:			
Invested in capital assets, net of related debt	\$ 37,493,839	\$ 35,633,107	\$ 35,903,258
Restricted	1,896,867	1,661,278	1,373,547
Unrestricted	18,179,395	20,438,554	24,502,191
<b>Total governmental activities net assets</b>	<b>\$ 57,570,101</b>	<b>\$ 57,732,939</b>	<b>\$ 61,778,996</b>
Business-type activities:			
Invested in capital assets, net of related debt	\$ 697,959	\$ 620,776	\$ 39,977
Unrestricted	(21,735,508)	(16,636,890)	(15,758,142)
<b>Total business-type activities net assets</b>	<b>\$ (21,037,549)</b>	<b>\$ (16,016,114)</b>	<b>\$ (15,718,165)</b>
Primary government:			
Invested in capital assets, net of related debt	\$ 38,191,798	\$ 36,253,883	\$ 35,943,235
Restricted	1,896,867	1,661,278	1,373,547
Unrestricted	(3,556,113)	3,801,664	8,744,049
<b>Total primary government net assets</b>	<b>\$ 36,532,552</b>	<b>\$ 41,716,825</b>	<b>\$ 46,060,831</b>

GASB Statement No. 34 implemented in Fiscal Year 2003.

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 36,691,713	\$ 58,558,140	\$ 59,634,623	\$ 63,449,890	\$ 64,077,359	\$ 64,665,367
1,308,978	1,425,727	1,552,616	1,635,090	1,733,293	3,130,557
25,992,668	28,283,131	27,877,242	22,327,156	19,347,287	16,317,739
<u>\$ 63,993,359</u>	<u>\$ 88,266,998</u>	<u>\$ 89,064,481</u>	<u>\$ 87,412,136</u>	<u>\$ 85,157,939</u>	<u>\$ 84,113,663</u>
\$ 416,215	\$ 324,863	\$ 221,335	\$ 185,621	\$ 176,810	\$ 185,613
(13,260,106)	(10,939,282)	(8,148,396)	(7,053,081)	(7,294,876)	(6,924,285)
<u>\$ (12,843,891)</u>	<u>\$ (10,614,419)</u>	<u>\$ (7,927,061)</u>	<u>\$ (6,867,460)</u>	<u>\$ (7,118,066)</u>	<u>\$ (6,738,672)</u>
\$ 37,107,928	\$ 58,883,003	\$ 59,855,958	\$ 63,635,511	\$ 64,254,169	\$ 64,850,980
1,308,978	1,425,727	1,552,616	1,635,090	1,733,293	3,130,557
12,732,562	17,343,849	19,728,846	15,274,075	12,052,411	9,393,454
<u>\$ 51,149,468</u>	<u>\$ 77,652,579</u>	<u>\$ 81,137,420</u>	<u>\$ 80,544,676</u>	<u>\$ 78,039,873</u>	<u>\$ 77,374,991</u>

TOWN OF WINDSOR, CONNECTICUT

**Changes In Net Assets**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year		
	2003	2004	2005
Expenses:			
Governmental activities:			
General government	\$ 8,404,359	\$ 8,290,368	\$ 9,098,239
Culture & recreation	3,375,174	3,129,442	3,339,960
Human services	1,251,782	1,525,642	1,519,473
Public works	3,957,412	4,838,064	5,215,856
Education	53,547,311	58,276,582	58,426,021
Public safety	6,908,418	7,174,676	7,519,211
Interest expense	2,171,416	3,414,738	1,998,227
<b>Total governmental activities expenses</b>	<b>79,615,872</b>	<b>86,649,512</b>	<b>87,116,987</b>
Business-type activities:			
Landfill	5,870,256	2,626,215	2,665,213
Child development	961,617	985,130	1,051,846
Adult caring connection	350,023	449,716	488,524
<b>Total business-type activities</b>	<b>7,181,896</b>	<b>4,061,061</b>	<b>4,205,583</b>
<b>Total primary government expenses</b>	<b>86,797,768</b>	<b>90,710,573</b>	<b>91,322,570</b>
Program revenue:			
Governmental activities:			
Charges for services:			
General government	2,190,703	2,891,380	2,789,332
Culture & recreation	651,326	748,903	748,281
Human services	442,250	57,831	101,247
Public works	101,310	168,617	96,077
Education	1,496,191	1,836,038	1,551,825
Public safety	460,423	243,743	234,119
Operating grants and contributions:			
General government	1,034,903	635,586	468,113
Culture & recreation	82,162	817,427	97,208
Human services	114,532	248,946	169,050
Public works	215,847	142,507	140,178
Education	11,080,282	13,239,217	14,245,323
Public safety	274,922	76,715	109,668
Capital grants and contributions:			
Capital grants and contributions:			
General government	-	-	-
Public works	-	-	-
Education	2,473,868	135,757	2,303,442
<b>Total governmental activities program revenue</b>	<b>20,618,719</b>	<b>21,242,667</b>	<b>23,053,863</b>

Fiscal Year						
	2006	2007	2008	2009	2010	2011
\$	9,915,592	\$ 11,124,017	\$ 12,368,532	\$ 10,226,562	\$ 10,039,998	\$ 11,524,755
	3,373,174	3,579,110	3,932,257	4,329,481	4,008,350	4,109,577
	1,676,685	1,394,386	1,475,799	1,545,945	1,614,335	1,508,514
	5,395,578	7,830,059	7,900,922	6,420,709	6,635,927	7,056,984
	62,706,704	64,184,074	68,566,869	75,436,627	77,319,195	77,130,965
	8,485,227	8,896,151	9,157,357	10,161,628	9,653,396	10,150,274
	1,800,092	1,565,521	1,759,337	2,424,721	1,255,397	1,146,445
	93,353,052	98,573,318	105,161,073	110,545,673	110,526,598	112,627,514
	2,299,076	2,635,732	2,048,943	1,542,767	3,112,891	2,322,740
	1,086,384	1,112,628	1,197,174	1,234,799	1,233,772	1,295,539
	520,913	567,040	610,401	662,319	567,145	542,844
	3,906,373	4,315,400	3,856,518	3,439,885	4,913,808	4,161,123
	97,259,425	102,888,718	109,017,591	113,985,558	115,440,406	116,788,637
	2,940,997	4,942,301	2,960,987	1,860,882	2,020,464	1,640,657
	754,944	773,190	852,132	791,531	629,783	715,831
	104,716	129,631	106,330	190,175	121,849	150,042
	21,880	389,095	66,075	122,262	38,486	225,617
	1,620,243	1,690,607	1,797,684	1,685,284	1,625,059	1,446,583
	316,712	459,739	588,112	239,645	267,033	135,567
	948,699	1,560,661	3,484,538	584,945	192,777	374,059
	89,484	528,657	77,013	469,411	357,582	238,632
	30,869	144,525	174,974	83,513	86,126	136,100
	202,330	353,997	205,717	50,620	21,880	221,571
	16,099,415	14,769,094	19,477,942	21,514,592	21,675,907	22,139,906
	148,985	154,746	65,236	280,373	171,307	169,971
	-	-	-	16,920	576,881	212,479
	-	-	-	-	128,936	262,473
	933,034	1,159,255	54,135	172,744	679,628	-
	24,212,308	27,055,498	29,910,875	28,062,897	28,593,698	28,069,488

**TOWN OF WINDSOR, CONNECTICUT**

**Changes In Net Assets, Continued**

**Last Nine Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Year		
	2003	2004	2005
Business-type activities:			
Charges for services:			
Landfill	2,627,673	7,652,733	2,581,762
Child development	1,054,687	1,088,460	1,071,303
Adult caring connection	423,786	436,822	553,990
<b>Total business-type activities</b>			
<b>program revenues</b>	<b>4,106,146</b>	<b>9,178,015</b>	<b>4,207,055</b>
<b>Total primary government program</b>			
<b>revenues</b>	<b>24,724,865</b>	<b>30,420,682</b>	<b>27,260,918</b>
Net (expense) revenue:			
Governmental activities	(58,997,153)	(65,406,845)	(64,063,124)
Business-type activities	(3,075,750)	5,116,954	1,472
<b>Total primary government net expense</b>	<b>(62,072,903)</b>	<b>(60,289,891)</b>	<b>(64,061,652)</b>
General revenues and other changes in net assets:			
Governmental activities:			
Property taxes	58,496,073	62,525,330	64,924,875
Grants and contributions not restricted to			
specific programs	2,743,559	2,352,383	2,031,800
Unrestricted investment earnings	790,900	515,430	1,152,506
Miscellaneous	-	-	-
Insurance recovery	-	-	-
Transfers	179,155	176,540	-
<b>Total governmental activities</b>	<b>62,209,687</b>	<b>65,569,683</b>	<b>68,109,181</b>
Business-type activities:			
Unrestricted investment earnings	132,753	81,021	296,477
Transfers	(179,155)	(176,540)	-
<b>Total business-type activities</b>	<b>(46,402)</b>	<b>(95,519)</b>	<b>296,477</b>
<b>Total primary government</b>	<b>62,163,285</b>	<b>65,474,164</b>	<b>68,405,658</b>
<b>Extraordinary</b>			
State Teachers' on-behalf payments	-	-	-
State Teachers' on-behalf revenue	-	-	-
	-	-	-
Changes in net assets:			
Governmental activities	3,212,534	162,838	4,046,057
Business-type activities	(3,122,152)	5,021,435	297,949
<b>Total primary government</b>	<b>\$ 90,382</b>	<b>\$ 5,184,273</b>	<b>\$ 4,344,006</b>

Fiscal Year					
2006	2007	2008	2009	2010	2011
4,576,077	4,020,021	3,645,534	2,064,217	2,544,966	2,595,208
1,118,647	1,146,713	1,168,468	1,242,989	1,236,607	1,324,437
569,973	600,271	645,399	744,902	743,707	635,673
6,264,697	5,767,005	5,459,401	4,052,108	4,525,280	4,555,318
30,477,005	32,822,503	35,370,276	32,115,005	33,118,978	32,624,806
(69,140,744)	(71,517,820)	(75,250,198)	(82,482,776)	(81,932,900)	(84,558,026)
2,358,324	1,451,605	1,602,883	612,223	(388,528)	394,195
(66,782,420)	(70,066,215)	(73,647,315)	(81,870,553)	(82,321,428)	(84,163,831)
67,159,495	69,017,335	71,318,509	76,625,138	75,411,646	78,391,639
1,944,629	2,627,975	2,587,585	2,710,019	2,572,815	1,997,469
2,160,983	2,680,848	2,141,587	974,090	271,212	2,278,004
-	-	-	431,184	1,280,440	290,418
-	-	-	-	-	413,000
90,000	-	-	90,000	142,590	143,220
71,355,107	74,326,158	76,047,681	80,830,431	79,678,703	83,513,750
605,950	777,867	1,084,475	537,378	280,512	128,419
(90,000)	-	-	(90,000)	(142,590)	(143,220)
515,950	777,867	1,084,475	447,378	137,922	(14,801)
71,871,057	75,104,025	77,132,156	81,277,809	79,816,625	83,498,949
-	-	(16,366,000)	-	-	-
-	-	16,366,000	-	-	-
-	-	-	-	-	-
2,214,363	2,808,338	797,483	(1,652,345)	(2,254,197)	(1,044,276)
2,874,274	2,229,472	2,687,358	1,059,601	(250,606)	379,394
\$ 5,088,637	\$ 5,037,810	\$ 3,484,841	\$ (592,744)	\$ (2,504,803)	\$ (664,882)

**TOWN OF WINDSOR, CONNECTICUT**

**Program Revenues by Function/Program  
Last Nine Fiscal Years  
(accrual basis of accounting)**

Function / Program	Fiscal Year		
	2003	2004	2005
Governmental activities:			
General government	\$ 3,225,606	\$ 3,526,966	\$ 3,257,445
Culture & recreation	733,488	1,566,330	845,489
Human services	556,782	306,777	270,297
Public works	317,157	311,124	236,255
Education	15,050,341	15,211,012	18,100,590
Public safety	735,345	320,458	343,787
<b>Total governmental activities</b>	<b>20,618,719</b>	<b>21,242,667</b>	<b>23,053,863</b>
Business-type activities:			
Landfill	2,627,673	7,652,733	2,581,762
Child development	1,054,687	1,088,460	1,071,303
Adult caring connection	423,786	436,822	553,990
<b>Total business-type activities</b>	<b>4,106,146</b>	<b>9,178,015</b>	<b>4,207,055</b>
<b>Total government</b>	<b>\$ 24,724,865</b>	<b>\$ 30,420,682</b>	<b>\$ 27,260,918</b>

GASB Statement No. 34 implemented in Fiscal Year 2003, and as such, only nine years are shown.



Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 3,889,696	\$ 6,502,962	\$ 6,445,525	\$ 2,462,747	\$ 2,790,122	\$ 2,227,195
844,428	1,301,847	929,145	1,260,942	987,365	954,463
135,585	274,156	281,304	273,688	207,975	286,142
224,210	743,092	271,792	345,626	189,302	709,661
18,652,692	17,618,956	21,329,761	23,199,876	23,980,594	23,586,489
465,697	614,485	653,348	520,018	438,340	305,538
24,212,308	27,055,498	29,910,875	28,062,897	28,593,698	28,069,488
4,576,077	4,020,021	3,645,534	2,064,217	2,544,966	2,595,208
1,118,647	1,146,713	1,168,468	1,242,989	1,236,607	1,324,437
569,973	600,271	645,399	744,902	743,707	635,673
6,264,697	5,767,005	5,459,401	4,052,108	4,525,280	4,555,318
\$ 30,477,005	\$ 32,822,503	\$ 35,370,276	\$ 32,115,005	\$ 33,118,978	\$ 32,624,806

TOWN OF WINDSOR, CONNECTICUT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
General Fund:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved/Designated	156,097	390,848	494,639	672,235
Unreserved	7,114,101	6,492,477	7,226,301	8,852,536
<b>Total General Fund</b>	<b>\$ 7,270,198</b>	<b>\$ 6,883,325</b>	<b>\$ 7,720,940</b>	<b>\$ 9,524,771</b>
All Other Governmental Funds:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	8,656,012	3,709,231	2,720,243	5,280,999
Unreserved, reported in:				
Special revenue funds	2,930,701	3,280,885	3,086,465	3,114,867
Debt service funds	-	169,500	-	5,892
Capital projects funds	472,476	1,136,388	3,748,654	3,962,317
<b>Total all other government funds</b>	<b>\$ 12,059,189</b>	<b>\$ 8,296,004</b>	<b>\$ 9,555,362</b>	<b>\$ 12,364,075</b>

\* The Town implemented GASB 54 in Fiscal Year 2011.

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,544
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,395,259
-	-	-	-	-	14,938,155
906,732	878,882	701,255	1,728,469	1,278,080	-
10,116,866	12,731,696	13,169,515	13,540,188	14,279,843	-
<u>\$ 11,023,598</u>	<u>\$ 13,610,578</u>	<u>\$ 13,870,770</u>	<u>\$ 15,268,657</u>	<u>\$ 15,557,923</u>	<u>\$ 18,368,958</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,305
-	-	-	-	-	5,870,907
-	-	-	-	-	3,614,944
-	-	-	-	-	1,537,355
-	-	-	-	-	(6,370)
1,752,125	2,727,171	2,589,674	2,638,450	7,846,160	-
3,049,496	3,120,411	3,773,977	3,648,238	4,220,432	-
330,006	374,557	316,212	326,750	668,453	-
4,432,038	4,959,362	5,897,137	4,296,255	1,010,734	-
<u>\$ 9,563,665</u>	<u>\$ 11,181,501</u>	<u>\$ 12,577,000</u>	<u>\$ 10,909,693</u>	<u>\$ 13,745,779</u>	<u>\$ 11,038,141</u>

TOWN OF WINDSOR, CONNECTICUT

Changes In Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
<b>Revenues:</b>				
Property taxes	\$ 54,072,438	\$ 58,684,319	\$ 62,484,349	\$ 65,305,954
Intergovernmental	22,665,288	19,774,504	17,221,656	20,016,051
Charges for services	1,431,540	5,162,861	5,923,793	5,431,000
Investment income	1,198,977	708,183	487,314	1,032,966
Other	5,458,422	63,358	258,120	233,716
<b>Total revenues</b>	<b>84,826,665</b>	<b>84,393,225</b>	<b>86,375,232</b>	<b>92,019,687</b>
<b>Expenditures:</b>				
Education	48,817,000	51,064,204	53,835,587	56,712,356
General government	6,474,084	6,829,885	7,300,691	8,859,785
Culture & recreation	3,018,405	3,202,924	3,336,166	3,135,121
Human services	703,426	809,886	860,718	1,500,025
Public safety	6,097,867	6,631,135	6,360,942	6,980,615
Public works	3,824,999	4,054,776	4,242,296	4,825,141
Capital outlay	20,459,368	11,196,549	3,431,405	5,565,439
<b>Debt service:</b>				
Principal	2,405,000	2,400,000	3,380,000	3,725,000
Interest	2,073,651	2,191,532	2,246,939	1,990,158
<b>Total expenditures</b>	<b>93,873,800</b>	<b>88,380,891</b>	<b>84,994,744</b>	<b>93,293,640</b>
<b>Excess of revenues (under expenditures)</b>	<b>(9,047,135)</b>	<b>(3,987,666)</b>	<b>1,380,488</b>	<b>(1,273,953)</b>
<b>Other financing sources (uses):</b>				
Transfers in	5,769,154	5,788,841	7,225,073	6,199,793
Transfers out	(8,192,736)	(8,328,548)	(10,028,509)	(6,199,793)
Issuance of long-term debt	4,955,000	2,360,000	3,385,000	5,745,000
Proceeds of refunding bonds	-	-	6,535,000	9,000,000
Payment to refunded bond escrow agent	-	-	(6,550,142)	(8,866,373)
Premium (discount) on long-term debt	-	-	150,063	7,870
<b>Total other financing sources (uses)</b>	<b>2,531,418</b>	<b>(179,707)</b>	<b>716,485</b>	<b>5,886,497</b>
<b>Extraordinary Items</b>				
State Teacher's on-behalf payments	-	-	-	-
State Teacher's on-behalf revenues	-	-	-	-
	-	-	-	-
<b>Net changes in fund balance</b>	<b>\$ (6,515,717)</b>	<b>\$ (4,167,373)</b>	<b>\$ 2,096,973</b>	<b>\$ 4,612,544</b>
Debt service as a percentage of noncapital expenditures	6.5%	6.3%	7.4%	7.0%

Fiscal Year						
2006	2007	2008	2009	2010	2011	
\$ 66,518,496	\$ 68,138,291	\$ 71,336,266	\$ 76,562,176	\$ 75,182,401	\$ 78,440,338	
20,615,304	23,124,106	26,644,488	26,222,871	26,801,211	25,995,554	
5,751,732	8,323,821	6,029,904	4,861,097	4,702,674	5,003,747	
2,153,617	2,617,648	2,141,587	974,090	271,212	290,418	
97,204	389,254	880,872	431,184	1,233,260	286,661	
95,136,353	102,593,120	107,033,117	109,051,418	108,190,758	110,016,718	
60,199,619	62,350,202	66,572,503	68,513,854	70,143,336	70,279,262	
9,374,448	10,395,260	10,469,204	10,246,729	10,573,779	11,622,565	
3,105,934	3,237,562	3,518,880	3,709,140	3,584,459	3,696,330	
1,531,655	1,382,043	1,456,296	1,515,876	1,451,375	1,518,488	
7,877,132	8,367,585	8,580,942	8,799,842	8,730,084	9,436,083	
5,090,350	5,457,772	5,500,331	5,820,515	5,622,128	6,064,157	
5,745,462	3,100,481	6,974,255	4,729,743	4,310,522	5,997,630	
3,665,000	3,805,000	4,225,000	4,363,000	4,500,000	4,735,000	
1,938,336	1,847,399	1,823,015	1,908,961	1,359,963	1,285,144	
98,527,936	99,943,304	109,120,426	109,607,660	110,275,646	114,634,659	
(3,391,583)	2,649,816	(2,087,309)	(556,242)	(2,084,888)	(4,617,941)	
6,422,153	7,142,489	7,949,387	9,435,672	6,859,290	6,508,008	
(6,332,153)	(7,142,489)	(7,949,387)	(9,345,672)	(6,716,700)	(6,364,788)	
2,000,000	1,555,000	3,743,000	18,625,000	4,680,000	4,490,000	
-	-	-	776,854	12,305,000	-	
-	-	-	(19,205,032)	(13,442,569)	-	
-	-	-	-	1,525,219	88,118	
2,090,000	1,555,000	3,743,000	286,822	5,210,240	4,721,338	
-	-	(16,366,000)	-	-	-	
-	-	16,366,000	-	-	-	
-	-	-	-	-	-	
\$ (1,301,583)	\$ 4,204,816	\$ 1,655,691	\$ (269,420)	\$ 3,125,352	\$ 103,397	
6.4%	6.2%	5.8%	6.0%	5.9%	5.6%	

**TOWN OF WINDSOR, CONNECTICUT**

**Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
2002	N/A	N/A	N/A	\$ 53,745,020
2003	N/A	N/A	N/A	58,680,150
2004	\$ 46,513,954	\$ 9,447,147	\$ 6,089,327	62,050,428
2005	51,304,553	8,598,849	5,037,958	64,941,360
2006	51,985,365	8,722,593	5,296,418	66,004,376
2007	53,728,711	8,179,172	5,764,603	67,672,486
2008	55,659,741	9,298,661	5,827,550	70,785,952
2009	59,125,526	10,709,068	5,641,311	75,475,905
2010	57,390,047	11,516,891	5,040,392	73,947,330
2011	59,571,009	11,957,985	5,126,981	76,655,975

**Source:** Town records.

N/A - Not Available.

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**TOWN OF WINDSOR, CONNECTICUT**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle
2002	\$ 915,276,460	\$ 200,378,710	\$ 182,331,940	\$ 25,233,250	\$ 277,806,160	\$ 159,544,150
2003	924,273,490	225,516,410	188,070,050	23,953,930	308,154,080	164,100,655
2004	931,840,840	248,214,960	190,953,560	23,342,760	331,037,890	168,337,145
2005	1,254,331,340	325,327,250	180,773,390	36,728,440	335,867,610	159,949,270
2006	1,272,280,520	323,775,700	190,391,740	33,884,690	341,352,590	169,786,997
2007	1,290,055,340	325,320,740	204,604,820	30,552,480	332,285,896	181,808,230
2008	1,307,015,550	344,197,987	220,992,873	31,809,820	366,594,174	184,853,593
2009	1,338,018,870	412,253,460	320,434,590	7,076,440	424,977,643	190,257,671
2010	1,616,431,530 <sup>(1)</sup>	509,934,800	369,068,280	7,429,030	488,125,018	185,708,117
2011	1,621,056,080	509,543,010	382,893,770	8,123,920	482,561,434	179,816,305

**Source:** Town Assessor's Records - Prior Board of Assessment appeals

<sup>(1)</sup>October 1, 2008 revaluation before adjusting for a five-year phase-in.



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Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
\$ 1,760,570,670	3.61%	31.20	\$ 1,712,678,000	60.60%
1,834,068,615	4.17%	32.60	1,768,511,335	55.70%
1,893,727,155	3.25%	33.57	1,836,550,760	51.60%
2,292,977,300	21.08%	28.83	2,243,767,090	70.00%
2,331,472,237	1.68%	28.73	2,284,745,107	60.12%
2,364,627,506	1.42%	29.30	2,303,286,906	56.74%
2,455,463,997	4.27%	29.30	2,401,738,780	50.73%
2,693,018,674	9.67%	29.30	2,590,539,164	54.00%
3,176,696,775	17.96%	28.34	2,923,858,605	70.00%
3,183,994,519	0.23%	28.38	2,937,138,218	65.33%

TOWN OF WINDSOR, CONNECTICUT

Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	2011			Taxpayer	2002		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Walgreens Eastern	86,615,361	1	2.91%	Aetna	\$ 39,856,120	1	2.25%
Griffin Land & Affiliates	77,914,819	2	2.62	Cigna	49,904,970	2	2.82
Cigna	51,580,794	3	1.73	Asea Brown Boveri Inc.	30,066,520	3	1.70
Northeast Utilities	45,248,392	4	1.52	Griffin Land & Affiliates	31,522,660	4	1.78
Hartford Financial Corp	43,598,058	5	1.46	Stanadyne Automotive	33,686,530	5	1.90
IBM & Affiliates	40,376,657	6	1.36	New Boston LP	17,048,500	6	0.96
Cellco/Verizon Wireless	40,209,340	7	1.35	IBM & Affiliates	17,065,030	7	0.96
GPT Windsor LLC	25,419,779	8	0.85	Cellco Partnerships	17,683,140	8	1.00
ABB Combustion	25,301,259	9	0.84	JDS Uniphase	19,619,800	9	1.11
ING	23,938,539	10	0.80	CL&P & Affiliates	15,826,720	10	0.89
<b>Total</b>	<b>\$ 460,202,998</b>		<b>16.08%</b>		<b>\$ 272,279,990</b>		<b>15.40%</b>

Source: Town Assessor's Records

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**TOWN OF WINDSOR, CONNECTICUT**

**Property Tax Levies And Collections  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
2002	2000	\$ 53,896,626	\$ 53,183,017	98.68
2003	2001	58,464,014	57,588,217	98.50
2004	2002	62,034,181	61,264,110	98.76
2005	2003	65,083,579	64,366,789	98.90
2006	2004	66,125,430	65,358,104	98.83
2007	2005	68,003,799	67,097,273	98.67
2008	2006	70,937,721	70,073,117	98.78
2009	2007	76,374,720	75,475,905	98.82
2010	2008	74,984,463	73,947,330	98.62
2011	2009	77,747,082	76,655,975	98.59

**Source:** Town Tax Records

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 601,135	\$ 53,784,152	99.79
723,807	58,312,024	99.74
587,462	61,851,572	99.71
608,903	64,975,692	99.83
586,465	65,944,569	99.73
670,508	67,767,781	99.65
672,498	70,745,615	99.73
688,274	76,164,179	99.72
931,288	74,878,618	99.85
-	76,655,975	98.59

**TOWN OF WINDSOR, CONNECTICUT**

**Ratios of Net General Bonded Debt Outstanding by Type  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt				
2002	\$ 44,965,000	\$ -	\$ 44,965,000	2.57%	\$ 1,502	N/A	N/A
2003	44,925,000	-	44,925,000	2.54%	1,592	N/A	N/A
2004	45,515,000	-	45,515,000	2.48%	1,596	N/A	N/A
2005	48,140,000	-	48,140,000	2.13%	1,688	N/A	N/A
2006	46,475,000	-	46,475,000	1.99%	1,620	N/A	N/A
2007	44,225,000	-	44,225,000	1.84%	1,536	N/A	N/A
2008	43,743,000	-	43,743,000	1.82%	1,510	N/A	N/A
2009	39,265,000	-	39,265,000	1.52%	1,355	N/A	N/A
2010	38,730,000	-	38,730,000	1.47%	1,335	N/A	N/A
2011	38,485,000	-	38,485,000	1.40%	1,326	N/A	N/A

Source: Town Records

N/A - Not Available.

**TOWN OF WINDSOR, CONNECTICUT**

**Direct Governmental Activities Debt  
For the Year Ended June 30, 2011  
(Unaudited)**

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Governmental Unit	Debt Outstanding
General obligation debt	\$ 38,485,000
Less school construction grants receivable - principal portion only	<u>572,802</u>
<b>Total direct debt</b>	<b><u><u>\$ 37,912,198</u></u></b>

TOWN OF WINDSOR, CONNECTICUT

Legal Debt Margin Information  
 Last Ten Fiscal Years  
*(dollars in thousands)*  
 (Unaudited)

	2002	2003	2004	2005
Debt limit	\$ 346,000,000	\$ 378,732,515	\$ 409,397,583	\$ 433,667,479
Total net debt applicable to limit	44,240,900	62,306,576	67,890,707	52,836,789
Legal debt margin	301,759,100	316,425,939	341,506,876	380,830,690
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	12.79%	16.45%	16.58%	12.18%



	2006		2007		2008		2009		2010		2011
\$	465,253,446	\$	476,993,454	\$	499,151,226	\$	536,255,608	\$	526,352,659	\$	548,417,030
	54,756,185		45,410,454		44,834,962		42,111,696		38,999,068		41,172,198
	410,497,261		431,583,000		454,316,264		494,143,912		487,353,591		507,244,832
	11.77%		9.52%		8.98%		7.85%		7.41%		7.51%

TOWN OF WINDSOR, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

June 30, 2011

Total tax collections (including interest and lien fees) for the year ended June 30, 2011	\$ 78,345,290
Reimbursement for revenue loss: Tax relief for elderly	<u>-</u>
Base	<u>\$ 78,345,290</u>
Debt limit	<u><u>\$ 548,417,030</u></u>

Debt Limitation	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 176,276,903	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	352,553,805	-	-	-
3-3/4 times base	-	-	293,794,838	-	-
3-1/4 times base	-	-	-	254,622,193	-
3 times base	-	-	-	-	235,035,870
<b>Total debt limitation</b>	<u>176,276,903</u>	<u>352,553,805</u>	<u>293,794,838</u>	<u>254,622,193</u>	<u>235,035,870</u>
<b>Debt as defined by statute:</b>					
Bonds payable	22,254,000	16,231,000	-	-	-
Bond anticipation notes payable	370,000	640,000	-	-	-
School construction grants	-	(572,802)	-	-	-
Bonds authorized but not issued	2,250,000	-	-	-	-
<b>Total indebtedness</b>	<u>24,874,000</u>	<u>16,298,198</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 151,402,903</u></u>	<u><u>\$ 336,255,607</u></u>	<u><u>\$ 293,794,838</u></u>	<u><u>\$ 254,622,193</u></u>	<u><u>\$ 235,035,870</u></u>

TOWN OF WINDSOR, CONNECTICUT

Calculation of Net Direct Debt and Current Debt Ratios

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Population	Governmental Activities					Total Overall net Debt (1)	Direct Debt Per Capita	Net Direct Debt Per Capita	Overall Net Debt Per Capita	Net Taxable Grand List (2)	Direct Debt to Net Taxable G/L	Net Direct Debt to Net Taxable G/L	Overall Net Debt to Net Taxable G/L
		General Obligation Bonds	Notes	Total Direct Debt	State Grants Receivable	Net Direct Debt								
2002	28,519	44,965,000	1,690,000	46,655,000	4,425,830	42,229,170	50,095,264	1,636	1,481	1,757	1,712,678,000	2.72%	2.47%	2.92%
2003	28,565	44,925,000	1,690,000	46,615,000	3,977,228	42,637,772	50,325,926	1,632	1,493	1,762	1,768,511,335	2.64%	2.41%	2.85%
2004	28,652	45,515,000	1,705,000	47,220,000	3,258,070	43,961,930	51,834,387	1,648	1,534	1,809	1,836,550,760	2.57%	2.39%	2.82%
2005	28,565	48,140,000	-	48,140,000	3,108,398	45,031,602	53,270,423	1,685	1,576	1,865	2,243,767,090	2.15%	2.01%	2.37%
2006	28,674	46,475,000	-	46,475,000	2,617,422	43,857,578	51,529,376	1,621	1,530	1,797	2,284,745,107	2.03%	1.92%	2.26%
2007	28,800	44,225,000	1,950,000	46,175,000	2,106,546	44,068,454	51,051,238	1,603	1,530	1,773	2,302,560,156	2.01%	1.91%	2.22%
2008	28,977	43,743,000	2,345,000	46,088,000	1,593,038	44,494,962	55,648,239	1,591	1,536	1,920	2,401,738,780	1.92%	1.85%	2.32%
2009	28,977	39,265,000	3,535,000	42,800,000	1,253,304	41,546,696	53,733,445	1,477	1,434	1,854	2,590,539,164	1.65%	1.60%	2.07%
2010	29,014	38,730,000	-	38,730,000	915,932	37,814,068	56,251,049	1,335	1,303	1,939	2,635,622,104	1.47%	1.43%	2.13%
2011	29,014	38,485,000	1,010,000	39,495,000	572,802	38,922,198	64,459,130	1,361	1,341	2,222	2,724,614,072	1.45%	1.43%	2.37%

(1) Includes net overlapping Debt and Underlying Debt

(2) Based on Board of Assessment Appeals - Gross taxable for FY2011 \$3,183,994,519. FY 2011 net taxable grand list is year 2 of a five-year phase-in of a revaluation as of 10/1/08.

**TOWN OF WINDSOR, CONNECTICUT**

**Demographic and Economic Statistics**

**Last Ten Fiscal Years**

**(Unaudited)**

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Fiscal Year Ended June 30	Population	Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment(*) Rate
2002	28,519	N/A	N/A	39.8	4,400	4.3%
2003	28,565	N/A	N/A	39.8	4,462	6.0%
2004	28,652	N/A	N/A	39.8	4,394	4.9%
2005	28,565	N/A	N/A	41.39	4,354	4.8%
2006	28,674	N/A	N/A	N/A	4,240	3.7%
2007	28,800	N/A	N/A	N/A	4,150	4.1%
2008	28,977	N/A	N/A	N/A	4,098	4.2%
2009	28,977	N/A	N/A	N/A	3,966	8.0%
2010	29,014	N/A	N/A	N/A	3,759	8.5%
2011	29,014	N/A	N/A	N/A	3,627	8.7%

**Source:** Town Clerk's Records, School Department Records

N/A - Not Available.

**TOWN OF WINDSOR, CONNECTICUT**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

Employer	2011			Employer	2002		
	Employees	Rank	Percentage of Total Town Employment		Employees	Rank	Percentage of Total Town Employment
Hartford Life	2,100	1	12.67%	Alstom Power Systems	1,250	1	6.61%
ING	1,835	2	11.07%	Aetna	1,200	2	6.35%
Alstom Power Systems	1,350	3	8.14%	UTC/Pratt Whitney	1,100	3	5.82%
Town of Windsor	809	4	4.88%	Town of Windsor	860	4	4.55%
CIGNA	900	5	5.43%	Stanadyne, Inc.	820	5	4.34%
Westinghouse Electric Co.	700	6	4.22%	Hartford Life	800	6	4.23%
Northeast Utilities	600	7	3.62%	American Airlines	700	7	3.70%
Konica Minolta	450	8	2.71%	Konica, Inc.	525	8	2.78%
Walgreen Co.	400	9	2.41%	Moore Business Forms	450	9	2.38%
Permastellisa NA	400	10	2.41%	ADVO, Inc.	450	10	2.38%
SS&C Technologies	350	11	2.11%	AMS Services	370	11	1.96%
Sunlife Financial Services	350	12	2.11%	CIGNA	350	12	1.85%
Valassis	350	13	2.11%	Xerox	350	13	1.85%
Bank America	300	14	1.81%	Genesis Health Ventures	320	14	1.69%

**Sources:** Town Records

TOWN OF WINDSOR, CONNECTICUT

Full-Time Equivalent Town Government Employees By Functions/Programs

Last Ten Fiscal Years

(Unaudited)

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2002	2003	2004	2005	2006
<u>Police</u>					
Administration	7.25	6.50	6.00	6.00	6.00
Support Services	10.00	13.00	15.00	15.00	15.00
Uniformed Patrol	50.30	48.30	48.80	45.80	43.80
Animal Control	1.00	1.00	1.00	1.00	1.00
<u>Fire</u>					
Fire and Rescue Services	1.00	1.00	1.00	1.00	1.00
<u>Parks and Recreation</u>					
Recreation	17.65	18.85	18.15	16.19	16.58
Youth Services Bureau				2.30	2.00
Northwest Park Education/Recreation	6.25	6.75	6.25	6.25	6.14
Northwest Park Facility/Property Mgt.	2.50	2.50	2.50	2.50	2.50
<u>Human Services</u>					
Senior Services	4.25	5.25	4.80	5.48	5.48
Transportation	N/A	N/A	N/A	N/A	N/A
Healthy People Program	0.50	2.50	2.50	4.12	3.37
Social Services	5.33	5.66	5.00	6.25	6.25
<u>Health Services</u>					
Inspection and Regulation	2.15	2.15	2.01	2.38	2.09
Disease prevention and Control	2.48	2.48	2.35	1.53	1.43
Clinic Services	0.71	0.71	0.64	0.72	0.63
Emergency Management				0.08	0.45
<u>Library Services</u>					
Adult and Teen Services	11.00	11.00	10.50	10.50	9.90
Main Library	0.75	0.75	0.75	0.75	0.75
Children's Services	4.15	3.85	3.85	3.85	3.85
Wilson Services	3.45	3.45	3.45	3.45	3.45
<u>Development Services</u>					
Building Safety	6.00	6.00	6.25	6.25	6.25
Economic Development	1.00	1.00	1.00	1.00	1.00
Planning	3.40	3.40	3.50	3.50	3.50
Design Services	6.15	6.15	5.15	6.94	6.15
<u>Public Works</u>					
Parks and Grounds	13.80	12.20	11.45	13.75	11.95
Facilities Management	3.75	4.20	4.20	4.25	4.25
Pavement	8.00	8.00	7.00	7.50	7.92
Stormwater Drainage	3.00	3.00	3.00	4.00	2.92
Traffic Safety and Community Support	8.00	7.50	8.00	7.00	8.00
Equipment Repair	3.50	3.40	3.40	3.40	3.40
Storm Control	N/A	N/A	N/A	N/A	N/A
<u>Information Services</u>					
Town Clerk	3.25	3.25	3.20	3.20	3.20
Public Relations	1.00	1.00	1.20	1.00	1.00
<u>Administrative Services</u>					
Financial Accounting and Reporting	8.00	8.00	6.12	6.62	7.12
Human Services	3.00	3.00	2.75	3.00	3.00
Information Technology	3.00	3.00	2.50	3.00	3.00
Risk Management	1.00	1.00	1.00	1.00	1.00
Property Valuation	3.00	3.00	3.00	3.23	3.23
Tax Collection	2.20	2.30	2.30	2.65	2.54
<u>General Government</u>					
Town Manager	4.00	4.00	3.50	3.50	3.50
Town Treasurer	0.25	0.25	0.25	0.25	0.25

Full-Time Equivalent Employees as of June 30

2007	2008	2009	2010	2011
6.00	6.00	6.00	6.00	6.00
11.00	11.00	12.00	10.00	7.50
46.30	46.30	45.30	47.60	48.60
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
16.04	16.85	16.70	15.48	15.40
2.00	1.85	2.23	2.46	3.26
5.63	5.23	5.20	5.75	5.94
2.47	1.97	2.00	2.23	2.40
5.48	6.37	7.02	2.79	2.81
N/A	N/A	N/A	6.24	5.95
1.45	N/A	N/A	N/A	N/A
6.70	6.17	6.84	6.19	5.78
2.12	2.66	2.89	2.90	2.51
1.42	1.46	1.47	1.48	1.38
0.58	0.65	0.62	0.62	0.61
0.38	0.00	0.00	0.00	0.00
10.67	11.17	11.17	10.84	10.94
1.25	0.60	0.60	0.60	0.79
3.57	3.75	3.75	3.75	3.95
3.45	3.45	3.45	3.23	3.23
6.25	6.25	6.25	6.13	6.47
1.00	1.00	1.00	1.16	1.11
4.00	4.00	4.00	4.00	4.00
5.90	5.90	5.90	5.85	5.73
11.50	11.50	12.75	13.00	12.90
4.05	4.40	4.30	3.30	3.35
8.00	8.00	8.10	8.00	8.00
3.00	3.00	3.00	3.00	3.00
7.00	7.00	7.00	7.00	7.00
3.40	3.40	3.40	3.40	2.84
N/A	N/A	N/A	N/A	N/A
3.20	3.20	3.20	3.20	3.20
1.00	1.00	1.00	1.00	1.00
7.12	6.75	6.75	7.40	7.03
3.00	3.00	3.00	3.00	3.07
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	2.00	2.00
2.54	2.54	2.54	2.54	2.62
3.40	3.40	3.40	3.40	3.40
0.25	0.25	0.25	0.25	0.25

TOWN OF WINDSOR, CONNECTICUT

Full-Time Equivalent Town Government Employees By Functions/Programs, Continued  
 Last Ten Fiscal Years  
 (Unaudited)

Functions/Program	Full-Time Equivalent Employees as of June 30				
	2002	2003	2004	2005	2006
<u>Landfill Enterprise Fund</u>					
Landfill Operations	8.50	8.60	8.60	10.00	9.00
Landfill Recycling & Composting	N/A	N/A	N/A	N/A	N/A
<u>Adult Daycare Enterprise Fund</u>					
Administration	1.00	1.00	1.00	1.00	1.00
Nursing	1.50	3.00	4.00	4.00	3.50
Social Work	1.00	1.00	1.00	1.00	1.00
Therapeutic Recreation	1.00	1.00	2.50	1.50	2.00
Transportation	4.50	2.50	3.25	3.50	3.00
<u>Child Development Enterprise Fund</u>					
Infant/Toddler Programs	5.82	5.64	5.64	5.64	5.69
Preschool/Kindergarten Programs	9.78	9.51	9.51	9.51	9.61
Elementary Programs	3.97	4.35	4.35	4.35	4.45
<u>Community Development</u>					
Community Development (CDBG)	2.00	2.00	2.00	2.00	2.00
<u>Grants</u>					
	-	-	-	-	-
<b>Total</b>	<b>255.09</b>	<b>257.95</b>	<b>255.17</b>	<b>262.69</b>	<b>256.10</b>

Source: Town Payroll Records  
 N/A - Not Available.



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Full-Time Equivalent Employees as of June 30

2007	2008	2009	2010	2011
8.60	8.60	8.60	7.60	6.70
N/A	N/A	N/A	N/A	N/A
1.00	1.00	1.00	1.08	1.80
4.00	3.75	4.00	4.58	4.47
1.00	1.00	1.00	1.08	N/A
1.50	1.50	1.50	1.58	1.58
3.75	3.75	3.75	N/A	N/A
5.64	5.69	5.70	5.70	6.10
9.76	9.56	9.95	9.80	9.40
4.35	3.75	3.35	3.35	3.35
2.00	2.00	2.00	2.00	2.00
251.72	249.67	252.93	248.56	245.42

**TOWN OF WINDSOR, CONNECTICUT**

**Operating Indicators By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	Calendar Year			
	2002	2003	2004	2005
<b>Police:</b>				
Calls for service	49,185	45,992	38,073	39,883
Adult arrest	N/A	1,560	1,792	1,775
Juvenile arrest	N/A	147	169	175
Speeding citations only	836	401	314	431
Traffic citations	3,064	3,698	3,698	5,290
<b>Fire:</b>				
Total fire runs	756	685	807	879
Total rescue runs	312	181	233	244
<b>Building safety:</b>				
Total Permits Issued	876	2,021	2,445	2,156
Total construction value all permits	\$ 31,735,965	\$ 47,340,144	\$ 54,206,020	\$ 69,732,092
Library, volumes in collection	N/A	N/A	N/A	N/A
<b>Parks and Recreation:</b>				
Recreation program attendance	11,000	14,850	14,850	15,000
Aquatics program attendance	4,500	4,500	4,500	3,500
Total aquatic facility users	N/A	N/A	N/A	N/A

**Source:** Town Records

N/A - Not Available.

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Calendar Year					
2006	2007	2008	2009	2010	2011
44,966	48,751	47,869	52,451	60,100	53,677
1,776	2,094	1,946	1,653	1,712	1,838
104	114	95	77	69	92
237	254	N/A	N/A	N/A	N/A
6,288	5,768	4,018	4,339	4,832	3,572
925	899	1,108	1,150	1,031	1,080
275	322	350	325	357	297
1892	2002	1662	1,595	1,808	1,673
\$ 76,327,630	\$ 270,879,957	\$ 154,596,155	75,615,985	76,261,429	48,760,775
132,041	132,289	136,905	124,029	124,667	129,448
15,000	8,272	9,948	9,000	8,000	9,630
3,500	2,000	2,000	2,100	2,400	2,800
N/A	N/A	N/A	N/A	N/A	20,880

**TOWN OF WINDSOR, CONNECTICUT**

**Capital Asset Statistics By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

Function/Program	2002	2003	2004	2005
Police:				
Stations	1	1	1	1
Zone Offices	1	1	1	1
Fire, Fire Stations	5	5	5	5
Public Works:				
Streets (Miles)	138	138	138	138
Traffic Signals	50	50	50	50
Parks & Recreation:				
Acreage	1,500	1,500	1,500	1,500
Parks	23	23	23	23
Baseball/Softball Diamonds	20	20	20	20
In-line Hockey Rinks	-	-	-	-
Soccer/Football Fields	17	17	17	17
CRE Griffin LLC	3	3	3	3
Tennis Courts	21	21	21	21
Swimming pools	4	4	4	4
Parks with Playground Equipment	14	14	14	14
Picnic Shelters	3	3	3	3
Community Centers	1	1	1	1
Library:				
Facilities	2	2	2	2
Volumes	N/A	142,555	N/A	N/A
Water:				
Storage Capacity (MGPD)	105	105	105	105
Average Daily Consumption (MGPD)	57.18	55.10	54.71	55.43
Peak Consumption (MGPD)	90.85	76.74	76.19	87.79
Wastewater:				
Sanitary Sewers (miles)	1,048.19	1,054.60	1,059.36	1,062.94
Storm Sewers (miles)	69.03	69.07	69.30	69.78
Combination Sanitary and Storm (miles)	159.70	160.35	160.35	160.17

**Source:** Town Records & Metropolitan District Commission (MDC)

N/A - Not Available.

2006	2007	2008	2009	2010	2011
1	1	1	1	1	1
1	1	1	1	1	1
5	5	5	5	5	5
138	138	138	138	138	138
50	50	50	50	50	50
1,500	1,500	1,500	1,500	1,500	1,500
23	23	23	23	23	23
20	20	20	20	20	20
-					
17	17	17	17	17	17
3	3	3	3	3	3
21	21	21	21	21	21
4	4	4	4	4	4
14	14	14	14	14	14
3	3	3	3	3	3
1	1	2	2	2	2
2	2	2	2	2	2
132,041	132,289	136,905	124,029	124,667	129,448
105	N/A	N/A	N/A	N/A	N/A
52.56	N/A	N/A	N/A	N/A	N/A
80.49	N/A	N/A	N/A	N/A	N/A
1067.87	N/A	N/A	N/A	N/A	N/A
69.78	N/A	N/A	N/A	N/A	N/A
160.17	N/A	N/A	N/A	N/A	N/A

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