

TOWN OF WINDSOR, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended June 30, 2018

The Town of Windsor, Connecticut

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2018

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

**James Bourke
Finance Director**

**Linda Collins
Assistant Finance Director**

**Jennifer Mighty
Accountant**

Contents

I. Introductory Section – Unaudited

Letter of Transmittal	i-viii
Certificate of Achievement for Excellence in Financial Reporting	ix
Organization Chart - Windsor Town Government	x
Principal Town Officials	xi

II. Financial Section

Independent Auditor's Report	1-2
Management's Discussion and Analysis - Unaudited	3-13

Basic Financial Statements

Government-Wide Financial Statements:

Statement of net position (deficits)	15
Statement of activities	16

Fund Financial Statements:

Balance sheet – governmental funds	17
Statement of revenues, expenditures and changes in fund balances - governmental funds	18
Statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	19
Statement of net position (deficits) – proprietary funds	20
Statement of revenues, expenses and changes in fund net position (deficits) - proprietary funds	21
Statement of cash flows – proprietary funds	22
Statement of fiduciary net position – fiduciary funds	23
Statement of changes in fiduciary net position – Fiduciary Funds	24
Notes to financial statements	25-74

Required Supplementary Information - Unaudited

Schedule of investment returns – defined benefit pension plan	75
Schedule of employer contributions – defined benefit pension plan	76
Schedule of changes in net pension liability (NPL) and related ratios – defined benefit pension plan	77
Schedule of contributions – CMERS	78
Schedule of the Town's proportionate share of the net pension liability - CMERS	79
Schedule of the Town's proportionate share of the net pension liability – teachers' retirement system	80
Schedule of contributions – OPEB plan	81
Schedule of investment returns – OPEB Plan	82
Schedule of changes in the Town's OPEB liability and related ratios	83

Contents

Required Supplementary Information – Unaudited (Continued)

Schedule of the Town's proportionate share of the net OPEB liability – teachers retiree health plan	84
Statement of revenues, expenditures and changes in budgetary fund balance – budgetary basis – budget and actual – general fund	85
Note to required supplementary information (Unaudited)	86-87

Combining and Individual Fund Financial Statements and Other Schedules

Nonmajor Governmental Funds

Combining balance sheet – nonmajor governmental funds	90-91
Combining statement of revenues, expenditures and changes in fund balances – nonmajor governmental funds	92-93

Nonmajor Enterprise Funds

Combining statement of net positions – nonmajor enterprise funds	95
Combining statement of revenues, expenses and changes in fund net positions – nonmajor enterprise funds	96
Combining statement of cash flows – nonmajor enterprise funds	97

Fiduciary Funds

Combining statement of changes in assets and liabilities – agency funds	99
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Capital Asset Schedule

Capital assets used in the operation of governmental funds – net of depreciation	101
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Other Schedules

Balance sheet – by account – general fund	103
Schedule of revenues, expenditures and changes in fund balance – by account – general fund	104
Schedule of property taxes levied, collected and outstanding	106-107
Schedule of changes in bond indebtedness	108-109

Contents

III. Statistical Section – Unaudited

Net position by component	112-113
Changes in net position	114-117
Program revenues by function/program	118-119
Fund balances, governmental funds	120-121
Changes in fund balances, governmental funds	122-123
Tax revenues by source, governmental funds	124
Assessed value and estimated actual value of taxable property	126-127
Principal property taxpayers	128
Property tax levies and collections	130-131
Ratios of net general bonded debt outstanding by type	132
Direct and overlapping governmental activities debt	133
Legal debt margin information	134-135
Schedule of debt limitation	136
Calculation of direct debt and current debt ratios	137
Demographic and economic statistics	138
Principal employers	139
Full-time equivalent town government employees by functions/programs	140-143
Operating indicators by function/program	144-145
Capital asset statistics by function/program	146-147

Introductory Section



First in Connecticut. First for its citizens.

December 28, 2018

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of Windsor, Connecticut (the "Town") for the fiscal year ended June 30, 2018. The CAFR is presented in three sections: introductory, financial and statistical. This report follows the format for annual financial reports that the Government Accounting Standards Board suggests and the Government Finance Officers Association promotes through the Certificate of Achievement for Excellence in Financial Reporting program.

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, 2018.

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.

RSM US LLP, Certified Public Accountants, has issued an unmodified opinion on the Town's financial statements for the year ended June 30, 2018. 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 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 over financial reporting and compliance for each major federal and state programs. These reports are available in the Town's separately issued Federal and State Compliance Reports.

The 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.

275 Broad Street • Windsor, Connecticut 06095 • www.townofwindsorct.com

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the Town 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 for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 33rd 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.

Profile of the Town of Windsor

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 railway to New Haven 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 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. 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, with no or limited impact on taxpayer dollars, through the Town's four enterprise funds. A sanitary landfill is operated in conjunction with the Town of Bloomfield; the Discovery Center provides early childhood education to Windsor residents and employees of local businesses, and the Caring Connection provides an alternative to institutional care for elderly and frail adults. The landfill discontinued accepting municipal solid waste (MSW) as of June 30, 2014 and has been converted to a recycling and transfer station facility for residents.

In addition to general government activities, the Town Council oversees the Town of Windsor Defined Benefit Retirement Plan and it is therefore included in this reporting entity. As part of the fiscal 2012 budget process, management took steps to reduce the town's cost of providing retirement benefits for future employees resulting in the Town Council amending the Personnel Rules requiring all non-affiliated full-time employees hired after July 1, 2011 to participate in a 401 (a) defined contribution plan. As of July 1, 2013 all new employees (except public safety officers) participate in the 401 (a) defined contribution plan. This plan is not included in the reporting entity as it does not meet the reporting criterion. In addition, 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.

Local Economic Condition and Outlook

Long-term planning for the efficient use of the Town's land resources began in 1924 and is guided by the town's Plan of Conservation and Development which is updated at regular intervals. 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. With large tracts of land once dedicated principally to agricultural use located at its northern and western perimeter, the Town has been able to attract 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 or expand 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, Connecticut and Springfield, Massachusetts 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 25,000, Windsor ranks fifth among Hartford area communities in total non-retail employment. Major private employers include Hartford Life, VOYA, GE, CIGNA, Eversource, Walgreen Co., Konica Minolta, Amazon.com and SS&C Technologies.

Since 2007 Windsor has experienced substantial economic growth. More than 5 million square feet of new commercial space was constructed during this period including 60,000 square feet of retail, one million square feet of office, 540 thousand square feet of industrial/distribution space, and 240,000 square feet of public / quasi-public space. Most recently, SCA Pharm opened a 90,000 square foot sterile compounding facility and Ford Motor Company opened a 230 thousand square foot parts distribution center.

Looking forward, the Town 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. All approvals have been granted for 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 Town is pursuing redevelopment of key properties and planning for development to support and benefit from regional commuter rail service in the town center which began in 2018. A key redevelopment project in town center, Windsor Station Apartment Homes, was completed in April of 2017. This \$18.0 million transit-oriented development project contains 130 market-rate units directly across from the passenger rail station. This project will help to meet the need for more rental housing and it will enhance the market for retail and services in the town center.

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, Town Improvements Committee of the Town Council, and the full Town Council. The 2019-2024 CIP was adopted by the town council on October 1, 2018 and includes both town general government and Board of Education projects involving road improvements, building renovations, new building facilities, major equipment purchases, and other capital improvements totaling \$168,898,700.

As part of the capital planning improvements process, the Town evaluates funding requirements and prioritization for all projects by conducting a comprehensive finance and 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.

A multi-year financial forecast is prepared on an annual basis 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.

Relevant Financial Policies

Management adheres to the following policies to manage financial stability and strength of the Town. These policies have helped during budgetary challenges to meet increasing demands and taxpayer expectations with current economic trends and market influences.

- Budget process - The Town Manager is required by the Windsor Town Charter to present to the Town Council an annual proposed operating budget (including the Board of Education) at least thirty days before the date of the budget referendum. The proposed budget contains detailed allocations of projected revenues and expenditures for all of the town's various funds. During the month of April, the Town Council holds public hearings to hear town departments present their budgets, to solicit input from the community as to its priorities for the upcoming fiscal year, and to hear public opinion regarding the proposed budget. Once the Town Council approves a final budget, it is put up for a vote at an Adjourned Town Meeting Referendum. If voters do not approve the budget, town staff and the Board of Education, through the Town Manager, modify and resubmit their proposals to the Town Council and then once again, to the voters. Only after the voters have approved the budget can it become the income and spending plan for the town.
- Budgetary Control - Expenditures may not legally exceed budgeted appropriations at the service unit level. The Finance Director can authorize budget transfers when the amount is \$5,000 or less. Other transfers require Town Council approval. Quarterly expenditures are reviewed with the Finance Committee. At the end of fiscal year 2018, the Finance Director authorized a budget transfer of \$4,230 from Public Works to Recreation and Leisure Services to fund its year-end deficit.
- Fund Balance Policy - The Town maintains an available balance in the General Fund as a safeguard against potential revenue and expenditure volatility. The definition of available balance will be the unassigned fund balance as of the end of the preceding fiscal year. The measure used will be unassigned fund balance as a percentage of current year budgeted expenditures. The unassigned fund balance may be used for non-recurring or capital expenditures, unanticipated budget deficits or operating emergencies, to make debt service payments or reduce debt service, and property tax or revenue stabilization as part of an overall strategy. The Town Council has enacted a policy that the Town's unassigned General Fund Balance shall meet a minimum of 15% to 20% of the current year's General Funds budget. At June 30, 2018, in accordance with GASB 54, the Town's General Fund unassigned fund balance of \$22,868,466 represented 19.8% of the FY 19 adopted budget of \$115,219,930. If the unassigned fund balance falls below the minimum level, the Town Council will replenish the fund balance during the annual budget process by appropriating at least 25% of the difference between the policy level and the unassigned fund balance each year until the policy level is met.

The Town Council has also enacted a policy that the Town's Capital Project Fund assigned fund balance will be kept to no less than the sum of 20% of the 6 year average of the annual cash portion of the Capital Improvement Plan, plus \$350,000. On June 30, 2018 the required balance in accordance with the Town's policy was \$550,483. The June 30, 2018 Capital Project assigned fund balance was \$997,619.

- Cash Management - The Town's Investment Policy applies to all financial assets of the Town, with the exception of the defined benefit retirement plan, Other Post Employment Benefit (OPEB) Trust, and state and federal grant funds. The primary purpose of the policy is to provide for the prudent and productive investment of funds. The Town authorizes the Finance Director to act as the investment officer. Investments are allowed in any financial institution in accordance with this policy, as well as the provisions of Connecticut General Statutes Sections 7-400-402, 3-24f, 3-27f and other applicable state statutes. Additional information on the Town's cash and investment policy can be found in the financial statements in Note 3.

- Purchase Orders - Upon award of a bid, proposal or quotation, a purchase order shall be initiated in accordance with Town policy. Purchase orders are required for all purchases greater than or equal to \$5,000. In cases where a vendor requests a purchase order for items under \$5,000, one shall be issued. Equipment repairs, utility bills, membership dues, advertising, grants and contributions do not require a purchase order. When a General Fund purchase order carries over into the following fiscal year for goods and services that are received and paid for in the next fiscal year, the Town Council must formally extend General Fund budgetary authority to encumber the funds into the next fiscal year. There were five FY 18 General Fund open purchase orders as of June 14, 2018, totaling \$182,200 that were expected to be encumbered. The Town Council approved these encumbrances on June 18, 2018 through October 15, 2018 and subsequently extended one of the encumbrances to February 4, 2019.

- Procurement Policy - The fundamental objective of all service units in the purchasing function is to procure supplies, materials, equipment, or services required for departmental operations in the right quality and quantity, on a timely basis, as efficiently as possible, and at the lowest cost. In pursuit of this objective, we seek to establish practical and efficient purchasing procedures to obtain:
 - the most value for each tax dollar spent
 - proper commitment and expenditure of Town funds
 - compliance with State and local legal requirements
 - fair and equitable treatment of all vendors who deal with the purchasing system of the Town
 - public confidence in the procedures followed in public purchasing
 - increased economy in procurement activities by fostering effective competition
 - maintenance of a purchasing system of quality and integrity

- Debt Policy – The primary objectives of the Town's debt policy are to establish conditions for the use of debt, create procedures and policies that minimize the Town's debt service and issuance costs for the bonds that are issued, retain the highest practical credit rating, maintain full and complete financial disclosure and reporting, and maintain established levels of debt within certain measures of affordability.

In accordance with the policy, the Town shall use an objective, analytical approach to determine whether it can afford to assume new general-purpose debt beyond what it retires each year.

- The criteria, or measure, used shall be the ratio of Net Annual Debt Service expenditures to Total Budgeted Expenditures in the General Fund
- The Town will endeavor to limit this ratio to the range of 6% to 8%
- In preparing the Town's Capital Improvement Plan, the Town will limit the dollar amount of bonds that are planned to be issued each year. The limit will be that the annual debt service repayment schedule that results from the proposed bond issues will not exceed the above target

This measure allows the capital financing to grow along with the level of the Town's operations.

Outstanding general obligation bonds, including both General and School Purpose, at June 30, 2018 totaled \$39,105,000. Changes in bond indebtedness are detailed in Note 7 of this report. The FY 18 General Fund Net Annual Debt Service expenditures of \$6,971,100 as compared to the FY 18 Total Budgeted Expenditures in the General Fund of \$110,862,990, equals 6.3%. The Town is rated AAA by Standard & Poor's. It is the policy of the Town to protect these ratings by adhering to sound financial policies and decisions.

- Defined Benefit Retirement Plan Policy - Investment of the Defined Benefit Retirement Plan Trust Fund assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals as stated in the Town's Defined Benefit Retirement Plan Trust Fund Policy. The Defined Benefit Retirement Plan Board is charged with the responsibility of overseeing the assets of the Plan. The Defined Benefit Retirement Plan Board reviews the fund performance quarterly to monitor adherence to the policy's investment guidelines. An actuarial analysis is performed annually.
- OPEB Trust Fund Policy - Investment of the OPEB Trust Fund assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals as stated in the Town's OPEB Trust Fund Policy. The OPEB Board is charged with the responsibility of overseeing the assets of the Trust. The OPEB Board reviews the fund performance quarterly to monitor adherence to the policy's investment guidelines. An actuarial analysis is performed biennially.

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 for spending to be managed 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, retirement plan administration, purchasing, special financial analysis and benefits processing.

Independent Audit

State statutes require an annual audit be conducted by independent certified public accountants. In compliance with this requirement, the Town Council selected RSM US LLP to perform the audit for a three year engagement of which fiscal year 2018 is the first year. 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 and the Board of Education staff. Their assistance was invaluable in the preparation of this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter P. Souza", is written over a light yellow rectangular background.

Peter Souza
Town Manager



Government Finance Officers Association

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

Presented to

**Town of Windsor
Connecticut**

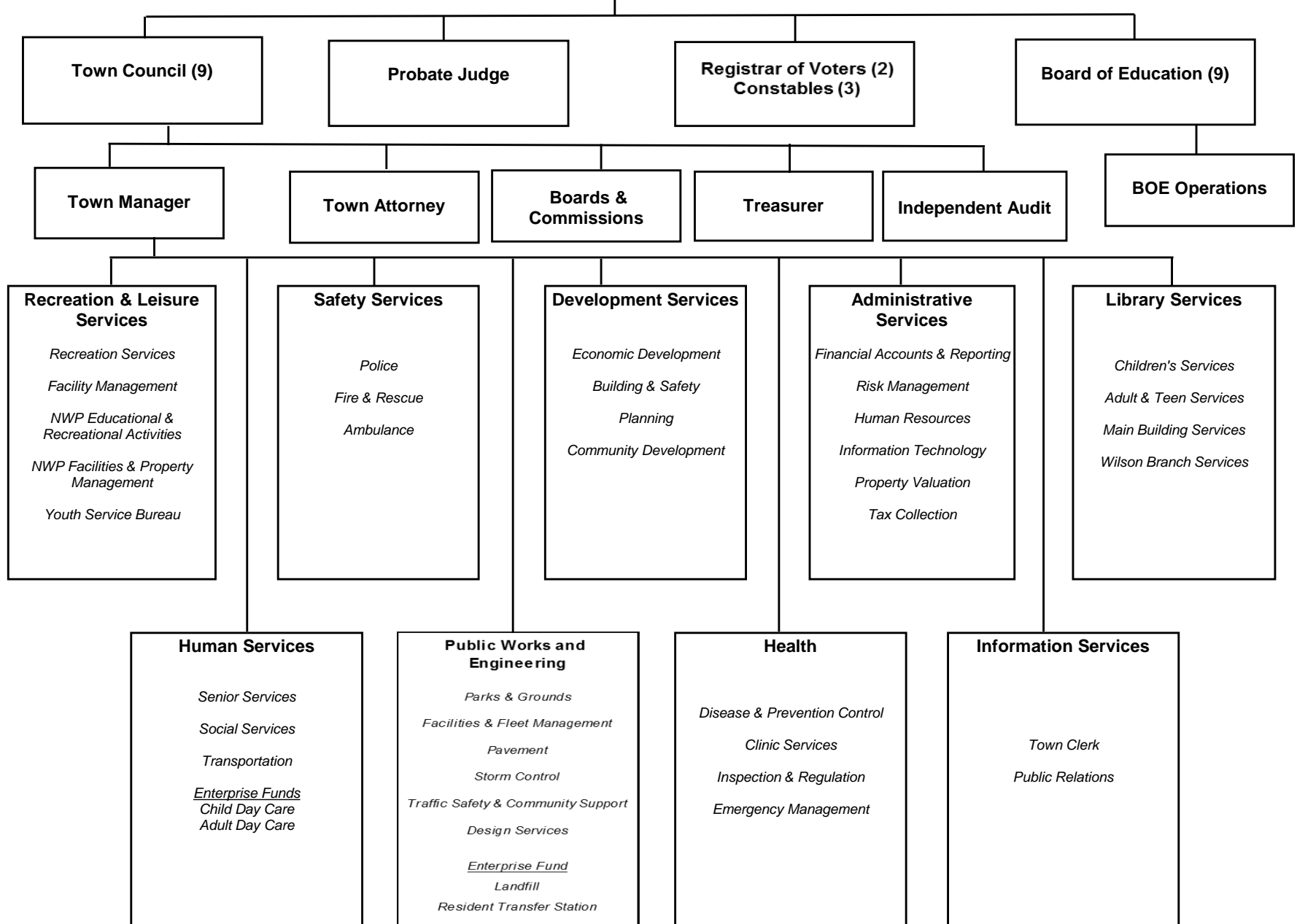
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Voters of Windsor



Principal Town Officials
As of June 30, 2018

Town Council

Donald S. Trinks, Mayor
Jody L. Terranova, Deputy Mayor
Jill D. Jackson-Jenkins
Richard T. O'Reilly
Joseph McAuliffe
Donald A. Jepsen, Jr
James G. Govoni
Kenneth M. Wilkos
Michael D. Tustin

Board of Education

Leonard O. Lockhart, President
David Furie, Vice President
Maryam Khan, Secretary
Michaela I. Fissel, Minority Leader
Nuchette M. Black-Burke
Ronald Eleveld
Brian D. Bosch
Jeremy Halek
James Dobler

Appointed Officials

Peter P. Souza, Town Manager
Dr. Craig A. Cooke, Superintendent of Schools
Randall I. Graff, Town Treasurer
O'Malley, Deneen, Leary, Messina & Oswecki, Town Attorney

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Financial Section



RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

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 fiscal year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Windsor, Connecticut as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter—Adoption of Standards

As explained in the Summary of Significant Accounting Policies in the notes to the financial statements, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, which resulted in the Town restating net position for recognition of the Town's OPEB related activity incurred prior to July 1, 2017. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the pension and OPEB related schedules on pages 75-84 as listed in the table of contents and the General Fund budgetary comparison information on pages 85-87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated December 28, 2018 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 28, 2018

**Town of Windsor, Connecticut
Management's Discussion and Analysis- unaudited
June 30, 2018**

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 for the fiscal year ended June 30, 2018. 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

- Effective with the Town's reporting period beginning July 1, 2017, the Town was required to implement GASB Statement No. 75 related to other postemployment benefits (OPEB). This Statement required that the unrestricted net position of the government-wide financial statements as of July 1, 2017 be restated and decreased in the amount of \$34,838,710.
- On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$38.8 million. Total net position for Governmental Activities at fiscal year-end was \$47.6 million, which was \$8.6 million higher from the restated FY 17 net position. Total net position (deficits) for Business-Type Activities were (\$8.8 million), which was a decrease of \$184 thousand from FY 17. The net deficit for Business-Type Activities is due to post-closure liability costs for the landfill.
- Government-wide expenses were \$130.8 million, which is a decrease of \$5.5 million as compared to FY 17. Government-wide revenues were \$139.6 million, which is an increase of \$948 thousand as compared to FY 17.
- At the close of the year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$46.5 million, an increase of \$4.8 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$27.8 million, an increase of \$2.6 million from the prior fiscal year. Of the total General Fund balance as of June 30, 2018, \$22.9 million represents unassigned fund balance. Unassigned fund balance at year-end represents 18.4% of total FY 18 General Fund expenditures and transfers out, and 19.8% of FY 19 adopted budgeted expenditures. FY18 includes the State Department of Education teachers on-behalf payment and the FY19 budget does not.

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, and 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 position presents information on all of the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. One can think of the Town's net position - the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources - as one way to measure the Town's financial health or financial position. Over time, increases or decreases in net position 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.

The statement of activities presents information showing how the Town's net position 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, Resident Transfer Station, 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 position (deficits) and statement of activities) can be found on pages 15-16 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 Non-Major Governmental Funds. Non-Major Governmental Funds for the Town 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 sheet on pages 90-91 and in the combining statement of revenues, expenditures and changes in fund balances on pages 92-93.

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 85.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balances) can be found on pages 17-18 of this report.

Proprietary funds - The Town of Windsor maintains two different types of proprietary funds, four 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 post-closure activities, Resident Transfer Station, 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, the Caring Connection Adult Day Care Center and Transfer Station 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 20-22 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 Defined Benefit Retirement trust fund, one Other Post-Employment Benefits trust fund, and five agency funds. The accounting used for fiduciary funds is similar to the accounting for proprietary funds. The basic fiduciary fund financial statements are on pages 23-24 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 on pages 25-74 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position (deficits) 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$47.6 million on June 30, 2018, which was an increase of 8.6 million from beginning net position of \$39.0 million (as restated for GASB Statement No. 75; see Note 1).

TOWN OF WINDSOR CONNECTICUT SUMMARY STATEMENT OF NET POSITION (DEFICIT) (\$000's) June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2018	2017*	2018	2017	2018	2017*	2017-18
Current and other assets	\$ 77,529	\$ 69,921	\$ 26,139	\$ 27,118	\$ 103,668	\$ 97,039	6.8%
Capital assets, net of accumulated depreciation	108,483	104,312	96	126	108,579	104,438	4.0%
Total Assets	186,012	174,233	26,235	27,244	212,247	201,477	5.3%
Deferred outflows of resources	5,627	7,403	-	-	5,627	7,403	-24.0%
Current liabilities	9,830	9,415	171	132	10,001	9,547	4.8%
Long-term liabilities outstanding	99,664	127,911	34,881	36,113	134,545	164,024	-18.0%
Total Liabilities	109,494	137,326	35,052	36,245	144,546	173,571	-16.7%
Deferred Inflows of resources	34,542	5,322	-	-	34,542	5,322	549.0%
Net Position (Deficits):							
Net investment in capital assets	71,042	65,944	96	126	71,138	66,070	7.7%
Restricted	6,810	6,012	-	-	6,810	6,012	13.3%
Unrestricted	(30,249)	(32,968)	(8,913)	(9,127)	(39,162)	(42,095)	-7.0%
Total Net Position (Deficits)	\$ 47,603	\$ 38,988	\$ (8,817)	\$ (9,001)	\$ 38,786	\$ 29,987	29.3%

* As restated for GASB Statement No. 75.

At the end of the current fiscal year, the Town of Windsor is able to report positive balances of \$38.8 million in net position for the government as a whole, but negative net position for its business-type activities. The negative value is solely attributable to the cost of accruing a pro rata portion of the closure and post-closure costs for the town's landfill.

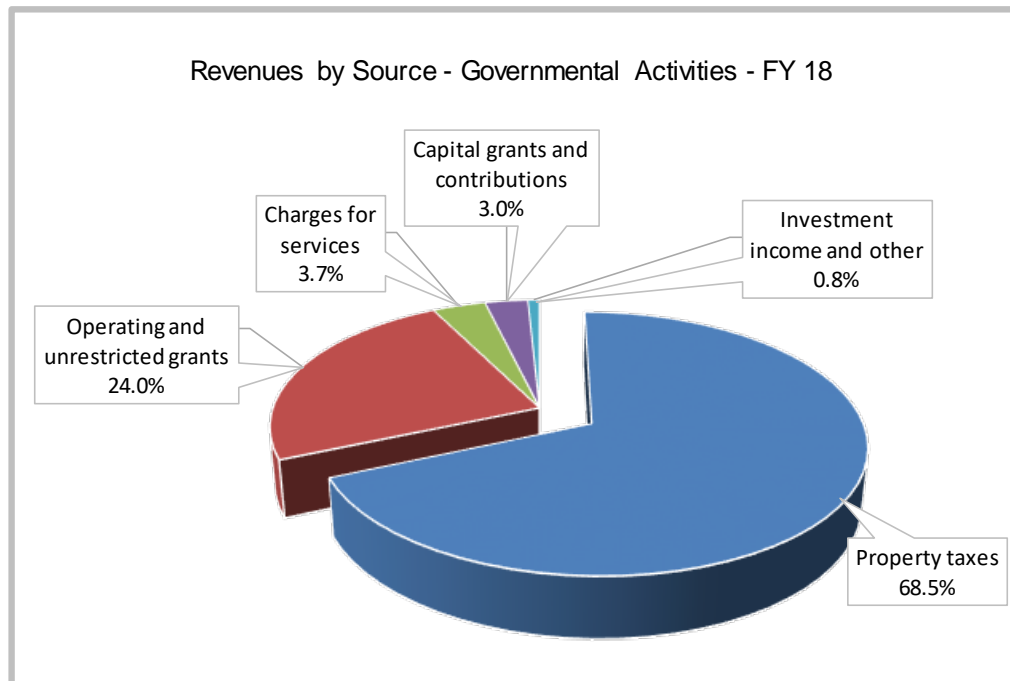
A large portion of the Town of Windsor's net position (deficits) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt that is still outstanding used to acquire those assets. The Town uses these capital assets to provide 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. Consequently, these assets are not available for future spending.

TOWN OF WINDSOR CONNECTICUT
SUMMARY STATEMENT OF ACTIVITIES (\$000's)
For the Years Ended June 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2017-18</u>
Revenues							
Program revenues							
Charges for services	\$ 5,068	\$ 6,019	\$ 1,746	\$ 1,740	\$ 6,814	\$ 7,759	-12.2%
Operating grants and contributions	31,211	31,489	19	210	31,230	31,699	-1.5%
Capital grants and contributions	4,088	2,447	-	-	4,088	2,447	67.1%
General Revenues							
Property taxes	94,276	93,461	-	-	94,276	93,461	0.9%
Grants not restricted to specific programs	1,815	2,337	-	-	1,815	2,337	-22.3%
Miscellaneous	326	472	-	-	326	472	-30.9%
Unrestricted investment earnings	775	333	254	122	1,029	455	126.2%
Total revenues	<u>137,559</u>	<u>136,558</u>	<u>2,019</u>	<u>2,072</u>	<u>139,578</u>	<u>138,630</u>	<u>0.7%</u>
Expenses							
General government	13,095	15,847	-	-	13,095	15,847	-17.4%
Culture & recreation	4,798	4,691	-	-	4,798	4,691	2.3%
Human services	2,046	1,976	-	-	2,046	1,976	3.5%
Public works	7,350	7,471	-	-	7,350	7,471	-1.6%
Education	88,865	92,217	-	-	88,865	92,217	-3.6%
Public safety	11,959	10,902	-	-	11,959	10,902	9.7%
Interest expense	905	817	-	-	905	817	10.8%
Landfill	-	-	91	619	91	619	-85.3%
Child development	-	-	1,080	1,102	1,080	1,102	-2.0%
Adult caring connection	-	-	389	444	389	444	-12.4%
Resident Transfer Station	-	-	201	177	201	177	13.6%
Other	-	-	-	43	-	43	-
Total expenses	<u>129,018</u>	<u>133,921</u>	<u>1,761</u>	<u>2,385</u>	<u>130,779</u>	<u>136,306</u>	<u>-4.1%</u>
Excess (deficit) of revenues over (under) expenses before transfers	<u>8,541</u>	<u>2,637</u>	<u>258</u>	<u>(313)</u>	<u>8,799</u>	<u>2,324</u>	<u>278.6%</u>
Transfers	<u>74</u>	<u>(37)</u>	<u>(74)</u>	<u>37</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Change in net position (deficit)	<u>8,615</u>	<u>2,600</u>	<u>184</u>	<u>(276)</u>	<u>8,799</u>	<u>2,324</u>	<u>278.6%</u>
Net Position (deficits)-Beginning	<u>38,988</u>	<u>71,227</u>	<u>(9,001)</u>	<u>(8,725)</u>	<u>29,987</u>	<u>62,502</u>	<u>-52.0%</u>
Restatement for GASB No. 75	-	<u>(34,839)</u>	-	-	-	<u>(34,839)</u>	
Net position (deficits) Ending	<u>\$ 47,603</u>	<u>\$ 38,988</u>	<u>\$ (8,817)</u>	<u>\$ (9,001)</u>	<u>\$ 38,786</u>	<u>\$ 29,987</u>	<u>29.3%</u>

Governmental Activities

Approximately 68.5% of revenues and transfers in were derived from property taxes, followed by 24.0% from operating and unrestricted grants, 3.7% from charges for services, 3.0% from capital grants and contributions, and 0.8% from investment earnings and other miscellaneous revenue sources.



Major revenue factors included:

- Property tax revenues collected in FY 18 totaled \$94.3 million, which represents an increase of \$815 thousand or 0.9% over FY 17 tax revenues. The Town's FY 18 mill rate for real estate and personal property was 32.45 mills and the mill rate for motor vehicles was capped at 32.00 mills by State statute in place at the time. The Town's collection rate on the current adjusted levy (real estate and personal property only) was budgeted at 99.00% as compared to the prior year's rate of 98.98% (real estate, personal property and motor vehicle). This increase in the collection rate was due to motor vehicles being taxed separately at 32.00 mills with a collection rate of 92%, therefore allowing for a higher collection rate to be assumed for real estate and personal property.
- Capital grants and contributions increased by \$1.6 million mostly due to receiving grant funds associated with the acquisition of the Millbrook open space property.
- Charges for services decreased \$951 thousand from the prior year. This is mostly due to a decrease in revenues in the Cafeteria non-major fund.
- Investment income and other miscellaneous revenues increased \$296 thousand or 36.8% versus FY 17 and is mostly due to the higher interest rate environment.

For Governmental Activities in FY 18, approximately 68.9% of the Town's expenses relate to education (vs. 68.9% in FY 17), 10.1% (vs. 11.8% in FY 17) to general government, 9.3% (vs. 8.1% in FY 17) relate to public safety, 5.7% (vs. 5.6% in FY 17) relate to public works, 3.7% (vs. 3.5% in FY 17) to culture and recreation, 1.6% (vs. 1.5% in FY 17) to human services, and 0.7% (vs. 0.6% in FY 17) to interest on long-term debt. It is important to remember that these expenses include non-budgetary items such as depreciation and disposal of capital assets, the change in compensated absence accruals, as well as pension and OPEB costs.

Major expense factors included:

- Education expenses decreased \$3.4 million and general government expenses decreased \$2.8 million from FY 17 mostly due to the decrease in the net OPEB liability as a result of the implementation of GASB Statement No. 75.
- Public Safety expenses increased \$1.0 million due to a change in expected versus actual experience in the State of Connecticut Municipal Employees Retirement System (CMERS) defined benefit pension plan.

Business-Type Activities

- The Business-Type Activities improved its net position by \$184 thousand during FY 18. This is mostly due to the Landfill's post-closure liability decreasing.
- The Landfill expenditures decreased \$528 thousand or 85.3% as compared to last year due to the decreasing post-closure liability.
- The Resident Transfer Station expenditures increased \$24 thousand or 13.5% mostly due to an increased allocation of personnel costs from the Landfill fund.

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 to provide flexibility and meet future obligations.

As of June 30, 2018 the Town of Windsor's governmental funds reported combined ending fund balances of \$46.5 million, an increase of \$4.8 million from \$41.7 million the previous year. This is primarily due to additional revenue collections and expenditure savings in the General Fund from the FY 18 budget, as well as unspent borrowing proceeds in the Capital Projects restricted fund balance which were greater than the amount from the same time period one year prior. This was a result of the FY 18 bond issue occurring late in the fiscal year. The General Fund unassigned fund balance comprises 49.1% of the total fund balance. The remainder of the fund balance is considered either nonspendable, restricted, committed, or assigned as defined by GASB Statement No. 54 fund balance definitions. These fund balance definitions can be found in Note 1 on the notes to financial statements.

The General Fund is the chief operating fund of the Town of Windsor. As of June 30, 2018, unassigned fund balance of the General Fund was \$22.9 million, while total fund balance was \$27.8 million. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.9% of total General Fund expenditures of \$115.1 million, while total fund balance represents 24.1% of that same amount.

The Capital Projects Fund had a total fund balance of \$12.5 million, which is an increase of \$2.4 million from a balance of \$10.1 million in FY 17. As stated above, this is primarily due to unspent borrowing proceeds in the Capital Projects restricted fund balance due to the FY 18 bond issue occurring late in the fiscal year. The assigned fund balance of the Capital Projects Fund was \$998 thousand on June 30, 2018.

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 position (deficits) of the Landfill Enterprise Fund at the end of the year was approximately \$(9.7) million with unrestricted net position (deficits) of approximately \$(9.7) million as compared to \$(9.8) million and \$(9.9) million in the prior year. The Landfill Enterprise Fund had a net gain during the year of \$154 thousand as compared with a net loss of \$313 thousand in the prior year. As noted before, the Landfill discontinued accepting municipal solid waste (MSW) on June 30, 2014 and has since been converted to a transfer station facility for residents. The net loss is related to the continuation of the planned closure and capping construction activity.

General Fund Budgetary Highlights

Actual revenues on a budgetary basis were approximately \$111.9 million. This amount exceeded budgeted amounts by approximately \$1.9 million. The major revenue variances were:

- General property tax collections in excess of budget by \$1.1 million. Current levy collections were in excess of budget by approximately \$706 thousand, and collections associated with the supplemental motor vehicle billing were approximately \$305 thousand in excess of budget.
- Building permit fee collections exceeded budget by \$231 thousand and were due mostly to new commercial construction and renovations.
- Interest income exceeded budget by \$264 thousand and was due to increased interest rates.
- Conveyance fee collections exceeded budget by \$138 thousand and were attributable to unanticipated corporate property sales located on Kennedy Road, Northfield Drive, Hayden Station Road and River Street.

Actual expenditures, including transfers but not use of fund balance, were \$109.8 million and kept under budget by \$1.1 million. Personnel savings from vacant positions, and employees out on worker compensation, disability and military leave made up the majority of this variance.

The difference between the original budget and the final amended budget was for an additional appropriation of \$698 thousand from fund balance. Uses were as follows:

Elementary School LED Lighting Project	\$ 322,500
Open Space - Millbrook Property Acquisition	375,000
	<u>\$ 697,500</u>

These items combined (additional revenues, expenditure savings and use of fund balance) produced an increase of \$1.9 million to the General Fund budgetary fund balance. This takes into consideration that the \$900 thousand opening cash appropriation was not needed to balance the budget as actual revenues exceeded actual expenditures during the year.

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, 2018, amounted to \$108.5 million (net of accumulated depreciation) compared to \$104.3 million in the prior fiscal year. This investment in capital assets includes land, building and mechanical improvements, machinery and equipment, park facilities, roads, sewers and bridges.

**TOWN OF WINDSOR CONNECTICUT
CAPITAL ASSETS (net of depreciation)
June 30, 2018**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 7,034,284	\$ -	\$ 7,034,284
Construction in progress	5,484,477	-	5,484,477
Buildings and improvements	60,027,422	18,376	60,045,798
Infrastructure	19,760,898	-	19,760,898
Machinery and equipment	16,176,070	77,350	16,253,420
Total	\$ 108,483,151	\$ 95,726	\$ 108,578,877

Major additions during the year included the following:

Poquonock School Window Replacements
Clover Street School Partial Roof Replacement
School Technology Infrastructure Upgrades
Oliver Ellsworth School HVAC Improvements
Animal Shelter Relocation and Construction
Fire Department Self-Contained Breathing Apparatus Upgrade
Prospect Hill Road Phase II Construction
Kennedy Road Rehabilitation - Northbound Lanes
Millbrook Open Space Property Acquisition

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 had total bonded debt outstanding of \$39.1 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, 2018**

	Governmental Activities
General obligation bonds	<u>\$ 39,105,000</u>

The Town of Windsor's total bonded debt increased by \$765 thousand or 2.0% during the current fiscal year as compared to a 0.47% decrease in FY 17.

The Town of Windsor's general obligation bond rating is AAA from Standard & Poor's. This rating was reaffirmed in June of 2018 when the Town issued general obligation bonds in the amount of \$6.8 million.

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 \$697.6 million, up from \$691.5 million in FY 17. As of June 30, 2018, the Town recorded long-term debt of \$39.1 million related to Governmental Activities, well below its statutory debt limits. The following is a summary as of June 30, 2018 of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal Payments	Interest Payments	Total Debt Service
2019	\$ 6,015,000	\$ 1,051,699	\$ 7,066,699
2020	6,020,000	866,550	6,886,550
2021	5,090,000	688,525	5,778,525
2022	3,980,000	554,480	4,534,480
2023	3,935,000	443,680	4,378,680
2024	2,955,000	352,900	3,307,900
2025	1,975,000	291,388	2,266,388
2026	1,550,000	249,206	1,799,206
2027	1,520,000	213,531	1,733,531
2028	1,100,000	175,425	1,275,425
2029	750,000	147,450	897,450
2030	750,000	126,450	876,450
2031	755,000	103,950	858,950
2032	755,000	81,300	836,300
2033	755,000	58,650	813,650
2034	300,000	36,000	336,000
2035	300,000	27,000	327,000
2036	300,000	18,000	318,000
2037	300,000	9,000	309,000
	<u>\$ 39,105,000</u>	<u>\$ 5,495,184</u>	<u>\$ 44,600,184</u>

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

Economic Factors

As of October 2018, the unemployment rate for the Town of Windsor was 4.2%. The unemployment rate for the Hartford labor market area was 3.8% and for the State of Connecticut it stood at 3.8%. The overall national average was 3.5% for this same time period.

Overall, unemployment rates have improved since last year and the overall economy continues to be strong. The Town's main source of revenue are property taxes, and this income stream has proven to be stable. State revenues make up a smaller portion of the Town's total revenue, and 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 continues to provide high levels of service.

The Town has a high quality tax base which includes 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 that has attracted and retained firms, 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 are 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.

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Basic Financial Statements

Town of Windsor, Connecticut

Statement of Net Position (Deficits)
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 51,333,331	\$ 19,492,361	\$ 70,825,692
Investments	15,328,307	6,572,323	21,900,630
Receivables:			
Property taxes, net of allowance for collection losses	1,122,036	-	1,122,036
Accounts receivable	2,371,291	-	2,371,291
Customer receivables	164,626	74,647	239,273
Community rehabilitation loans, net	2,101,849	-	2,101,849
Inventories	41,734	-	41,734
Prepays	13,786	-	13,786
Net pension asset	2,671,406	-	2,671,406
Restricted cash and cash equivalents - capital outlay	2,380,800	-	2,380,800
Capital assets, not being depreciated	12,518,761	-	12,518,761
Capital assets, being depreciated, net of depreciation	95,964,390	95,726	96,060,116
Total assets	186,012,317	26,235,057	212,247,374
Deferred outflows of resources:			
Deferred charge on refunding	269,476	-	269,476
Deferred pension expense	5,357,158	-	5,357,158
Total deferred outflows of resources	5,626,634	-	5,626,634
Liabilities			
Accounts payable and accruals	8,423,583	133,349	8,556,932
Accrued interest payable	240,071	-	240,071
Unearned revenues	1,166,346	37,600	1,203,946
Long-term liabilities:			
Due within one year	6,218,390	1,408,124	7,626,514
Due in more than one year	93,445,257	33,473,170	126,918,427
Total liabilities	109,493,647	35,052,243	144,545,890
Deferred inflows of resources:			
Advance property tax collections	5,343,654	-	5,343,654
Deferred OPEB credit	28,781,830	-	28,781,830
Deferred pension credit	416,391	-	416,391
Total deferred inflows of resources	34,541,875	-	34,541,875
Net position (deficits):			
Net investment in capital assets	71,041,699	95,726	71,137,425
Restricted:			
Pension	2,671,406	-	2,671,406
Community rehabilitation program	2,101,849	-	2,101,849
Public works	1,214,893	-	1,214,893
Other	822,802	-	822,802
Unrestricted (deficit)	(30,249,220)	(8,912,912)	(39,162,132)
Total net position (deficits)	\$ 47,603,429	\$ (8,817,186)	\$ 38,786,243

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Positions		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ (13,095,473)	\$ 1,242,023	\$ 5,000	\$ 1,086,000	\$ (10,762,450)	\$ -	\$ (10,762,450)
Culture & recreation	(4,797,542)	1,399,222	40,813	-	(3,357,507)	-	(3,357,507)
Human services	(2,045,940)	167,603	90,366	-	(1,787,971)	-	(1,787,971)
Public works	(7,350,211)	188,287	404,907	3,002,468	(3,754,549)	-	(3,754,549)
Education	(88,865,183)	1,449,506	30,507,921	-	(56,907,756)	-	(56,907,756)
Public safety	(11,958,905)	621,813	161,730	-	(11,175,362)	-	(11,175,362)
Interest expense	(904,819)	-	-	-	(904,819)	-	(904,819)
Total governmental activities	(129,018,073)	5,068,454	31,210,737	4,088,468	(88,650,414)	-	(88,650,414)
Business-type activities:							
Landfill	(91,148)	-	-	-	-	(91,148)	(91,148)
Child development	(1,080,290)	1,086,171	-	-	-	5,881	5,881
Adult caring connection	(388,631)	393,848	18,971	-	-	24,188	24,188
Resident transfer station	(201,134)	265,491	-	-	-	64,357	64,357
Total business-type activities	(1,761,203)	1,745,510	18,971	-	-	3,278	3,278
Total primary government	\$ (130,779,276)	\$ 6,813,964	\$ 31,229,708	\$ 4,088,468	(88,650,414)	3,278	(88,647,136)
General revenues:							
Property taxes					94,276,054	-	94,276,054
Miscellaneous					326,338	-	326,338
Grants and contributions not restricted to specific programs					1,814,571	-	1,814,571
Unrestricted investment earnings					774,855	253,726	1,028,581
Internal transfers					73,630	(73,630)	-
Total general revenues and internal transfers					97,265,448	180,096	97,445,544
Change in net position					8,615,034	183,374	8,798,408
Net position (deficits) - beginning (as restated), Note 1					38,988,395	(9,000,560)	29,987,835
Net position (deficits) - ending					\$ 47,603,429	\$ (8,817,186)	\$ 38,786,243

See notes to financial statements.

Town of Windsor, Connecticut

Balance Sheet - Governmental Funds
June 30, 2018

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Assets				
Cash and cash equivalents	\$ 25,613,878	\$ 7,998,835	\$ 5,055,156	\$ 38,667,869
Investments	8,760,498	3,500,413	852,011	13,112,922
Restricted cash and cash equivalents	-	2,380,800	-	2,380,800
Receivables (net of allowances for collection losses):				
Property taxes	1,122,036	-	-	1,122,036
Accounts receivable	316,822	513,272	1,541,197	2,371,291
Community rehabilitation loans, net	-	-	2,101,849	2,101,849
Due from other funds	2,538,894	-	-	2,538,894
Prepays	9,830	-	3,956	13,786
Inventories	29,194	-	12,540	41,734
Total assets	\$ 38,391,152	\$ 14,393,320	\$ 9,566,709	\$ 62,351,181
Liabilities				
Accounts payable and accrued liabilities	\$ 4,321,471	\$ 1,402,167	\$ 229,057	\$ 5,952,695
Unearned revenues	-	-	1,092,595	1,092,595
Due to other funds	-	513,272	1,773,622	2,286,894
Total liabilities	4,321,471	1,915,439	3,095,274	9,332,184
Deferred inflow of resources:				
Advance tax collections	5,343,654	-	-	5,343,654
Unavailable resources	960,447	-	167,811	1,128,258
Total deferred inflows of resources	6,304,101	-	167,811	6,471,912
Fund balances:				
Nonspendable	39,024	-	29,496	68,520
Restricted	-	2,380,800	4,139,544	6,520,344
Committed	-	9,099,462	1,583,751	10,683,213
Assigned	4,858,090	997,619	550,833	6,406,542
Unassigned	22,868,466	-	-	22,868,466
Total fund balances	27,765,580	12,477,881	6,303,624	46,547,085
Total liabilities, deferred inflows of resources and fund balances	\$ 38,391,152	\$ 14,393,320	\$ 9,566,709	

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

Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net position includes those capital assets and accumulated depreciation among the assets of the Town as a whole.	108,483,151
Other long-term assets are not available and therefore not recognized in the funds.	1,128,258
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(99,663,647)
Deferred charge on refunding	269,476
Net pension asset	2,671,406
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 position.	12,248,834
Deferred pension expense due to pension related items	5,357,158
Deferred OPEB credit due to OPEB related items	(28,781,830)
Deferred pension credit due to pension related items	(416,391)
Accrued interest payable	(240,071)

Net position of governmental activities

\$ 47,603,429

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended June 30, 2018

	Major Funds		Other	Total
	General	Capital Projects	Nonmajor Governmental Funds	Governmental Funds
Revenues:				
Property taxes	\$ 94,339,805	\$ -	\$ -	\$ 94,339,805
State and Federal governments	27,626,039	3,002,468	6,485,269	37,113,776
Charges for services	3,678,117	-	1,390,337	5,068,454
Investment income	670,091	78,210	26,554	774,855
Other	-	155,734	211,452	367,186
Total revenues	126,314,052	3,236,412	8,113,612	137,664,076
Expenditures:				
Current:				
Education	79,713,749	-	6,028,767	85,742,516
General government	12,972,718	-	111,772	13,084,490
Culture and recreation	4,135,125	-	53,507	4,188,632
Human services	1,487,679	-	156,263	1,643,942
Public safety	10,399,750	-	123,219	10,522,969
Public works	6,398,515	-	307,352	6,705,867
Debt service:				
Principal retirements	-	-	6,000,000	6,000,000
Interest and other charges	-	-	927,469	927,469
Capital outlay	-	8,827,357	2,121,458	10,948,815
Total expenditures	115,107,536	8,827,357	15,829,807	139,764,700
Excess (deficiency) of revenues over (under) expenditures	11,206,516	(5,590,945)	(7,716,195)	(2,100,624)
Other financing sources (uses):				
Transfers in	586,902	1,667,500	7,527,300	9,781,702
Transfers out	(9,194,800)	(513,272)	-	(9,708,072)
Issuance of bonds	-	6,765,000	-	6,765,000
Premium on bonds issued	-	-	152,877	152,877
Total other financing sources (uses)	(8,607,898)	7,919,228	7,680,177	6,991,507
Change in fund balances	2,598,618	2,328,283	(36,018)	4,890,883
Fund balances, beginning	25,166,962	10,149,598	6,339,642	41,656,202
Fund balances, ending	\$ 27,765,580	\$ 12,477,881	\$ 6,303,624	\$ 46,547,085

See notes to financial statements.

Town of Windsor, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended June 30, 2018**

Net change in fund balances – total governmental funds	\$ 4,890,883
Amounts reported for governmental activities in the statement of activities are different because:	
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.	4,171,177
Changes in receivables that impact revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(104,599)
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 positions. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(841,343)
Some expenses including deferred inflows/outflows reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
The change in these expenses are as follows:	
Change in net pension asset - CMERS	740,727
Change in deferred outflow - CMERS	(1,086,551)
Change in deferred inflow - CMERS	(16,992)
Change in deferred outflow - Town Plan	(632,183)
Change in deferred inflow - Town Plan	(184,257)
Change in deferred inflow - OPEB	(28,781,830)
Changes in some liabilities that impact 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.	28,976,421
The net income of certain activities of internal service funds is reported with governmental activities	1,483,581
Change in net position of governmental activities	\$ 8,615,034

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Net Position (Deficits) - Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 18,831,879	\$ 660,482	\$ 19,492,361	\$ 12,665,462
Receivables:				
Customer receivables, net	-	74,647	74,647	164,626
Due from other funds	-	-	-	-
Investments	6,348,880	223,443	6,572,323	2,215,385
Total current assets	25,180,759	958,572	26,139,331	15,045,473
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	83,599	12,127	95,726	-
Total noncurrent assets	83,599	12,127	95,726	-
Total assets	25,264,358	970,699	26,235,057	15,045,473
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	93,463	55,210	148,673	78,209
Unearned revenue	-	37,600	37,600	73,751
Accrued claims payable	-	-	-	1,349,930
Accrued post closure costs	1,392,800	-	1,392,800	-
Due to General Fund	-	-	-	252,000
Total current liabilities	1,486,263	92,810	1,579,073	1,753,890
Noncurrent liabilities:				
Accrued post closure costs	33,427,200	-	33,427,200	-
Compensated absences	16,053	29,917	45,970	-
Accrued claims payable	-	-	-	1,042,749
Total noncurrent liabilities	33,443,253	29,917	33,473,170	1,042,749
Total liabilities	34,929,516	122,727	35,052,243	2,796,639
Net position (deficits):				
Net investment in capital assets	83,599	12,127	95,726	-
Unrestricted net position (deficits)	(9,748,757)	835,845	(8,912,912)	12,248,834
Total net position (deficits)	\$ (9,665,158)	\$ 847,972	\$ (8,817,186)	\$ 12,248,834

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficits) - Proprietary Funds
Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating revenues:				
User charges	\$ -	\$ 1,745,510	\$ 1,745,510	\$ 16,292,967
Total operating revenues	-	1,745,510	1,745,510	16,292,967
Operating expenses:				
Operations and maintenance	64,472	1,666,856	1,731,328	-
Change in post closure cost estimate	-	-	-	-
Claims	-	-	-	14,879,364
Depreciation	26,676	3,199	29,875	-
Total operating expenses	91,148	1,670,055	1,761,203	14,879,364
Operating (loss) income	(91,148)	75,455	(15,693)	1,413,603
Nonoperating revenues (expenses):				
Interest income	244,946	8,780	253,726	69,978
Intergovernmental	-	18,971	18,971	-
Total nonoperating revenues	244,946	27,751	272,697	69,978
Income before transfers	153,798	103,206	257,004	1,483,581
Transfers out	-	(73,630)	(73,630)	-
Change in net position	153,798	29,576	183,374	1,483,581
Net position (deficits), beginning	(9,818,956)	818,396	(9,000,560)	10,765,253
Net position (deficits), ending	\$ (9,665,158)	\$ 847,972	\$ (8,817,186)	\$ 12,248,834

See notes to financial statements

Town of Windsor, Connecticut

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor		Total	Activities
	Landfill	Enterprise Funds		Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ 1,747,332	\$ 1,747,332	\$ 15,646,074
Payments to suppliers	(877,505)	(478,050)	(1,355,555)	(14,954,218)
Payments to employees	(395,740)	(1,191,611)	(1,587,351)	-
Net cash (used in) provided by operating activities	(1,273,245)	77,671	(1,195,574)	691,856
Cash flows from noncapital financing activities:				
Intergovernmental revenue	-	18,971	18,971	-
Transfers out	-	(73,630)	(73,630)	-
Net cash used in noncapital financing activities	-	(54,659)	(54,659)	-
Cash flows from investing activities:				
Interest received	244,946	8,780	253,726	69,978
Sale of investments	565,480	-	565,480	-
Sale of investments	-	1,454	1,454	(164,045)
Net cash provided by (used in) investing activities	810,426	10,234	820,660	(94,067)
Net (decrease) increase in cash and cash equivalents	(462,819)	33,246	(429,573)	597,789
Cash and cash equivalents:				
Beginning	19,294,698	627,236	19,921,934	12,067,673
Ending	\$ 18,831,879	\$ 660,482	\$ 19,492,361	\$ 12,665,462
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (91,148)	\$ 75,455	\$ (15,693)	\$ 1,413,603
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	26,676	3,199	29,875	-
Changes in assets and liabilities:				
Increase in accounts receivable	-	(17,036)	(17,036)	(145,340)
Decrease in due from other funds	-	-	-	55,196
Increase (decrease) in accounts payable	27,169	(2,804)	24,365	(65,974)
Increase in due to other funds	-	-	-	252,000
Increase in unearned revenue	-	18,857	18,857	(556,749)
Decrease in accrued liabilities	(1,235,942)	-	(1,235,942)	(260,880)
Net cash (used in) provided by operating activities	\$ (1,273,245)	\$ 77,671	\$ (1,195,574)	\$ 691,856

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2018

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 665,735	\$ 1,263,257
Investments:		
Equity mutual funds	47,192,487	-
Fixed income mutual funds	18,926,111	-
Other Investments - real estate	3,973,091	-
Total investments	<u>70,091,689</u>	<u>-</u>
Contributions receivable	644,398	-
Other receivables	2,312	-
Total assets	<u>71,404,134</u>	<u>1,263,257</u>
Liabilities		
Accounts payable	1,486	1,263,257
Net position restricted for pensions and other benefits	<u>\$ 71,402,648</u>	<u>\$ -</u>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2018

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,696,328
Plan members	552,699
Total contributions	<u>2,249,027</u>
Investment income:	
Net appreciation in fair value of investments	2,854,738
Interest and dividends	1,391,817
	<u>4,246,555</u>
Less investment expenses:	
Investment management fees	20,544
Net investment income	<u>4,226,011</u>
Total additions	<u>6,475,038</u>
Deductions:	
Benefits	<u>3,798,705</u>
Change in plan net position	2,676,333
Net position restricted for pensions and other benefits:	
Beginning of year	<u>68,726,315</u>
End of year	<u>\$ 71,402,648</u>

See notes to financial statements.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The Town, Connecticut (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 position and the statement of activities) report information on all of the non-fiduciary balances and 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.

Accounting standards adopted in the current year: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, was implemented on July 1, 2017. This statement revised and established new financial reporting requirements for most governments that provide their employees with postemployment benefits other than pensions. Among other requirements, Statement No. 75 required governments to report a liability in the financial statements for the OPEB that they provide: (1) Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. (2) Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. (3) Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The effects of the implementation of this statement are as follows: The beginning net position was decreased by \$34,838,710, a net OPEB liability of \$74,735,860 was added, and a net OPEB obligation of \$39,897,150 was removed.

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.

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 OPEB 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 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 other than reported in proprietary funds.

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 position, financial position and cash flows.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Town reports the following major proprietary fund:

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

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

The **Milo Peck Child Development Center Fund**, **Caring Connection Adult Day Care Center Fund** and the **Resident Transfer Station Fund**.

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.

Fiduciary funds:

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

The **OPEB Trust Fund**, a fiduciary fund, accounts for the activities of the Town's other post-employment benefit plan which accumulates resources for medical 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.

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 non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations, which for the internal service fund include premium charges and claims. The principal operating revenues of the enterprise 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Cash and cash equivalents: The Town classifies money market funds, State of Connecticut Short-Term Investment Fund (STIF) investments, treasury bills and certificates of deposit having original maturities of three months or less when purchased as cash equivalents. Certificates of deposit are recorded at amortized cost.

Restricted cash and cash equivalents: Certain assets are classified as restricted because their use subject to constraints imposed by creditors. Restricted cash and cash equivalents in the Capital Projects Fund are to be used for construction purposes.

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. An amount of approximately \$641,000 has been established as an allowance for uncollectible taxes

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 3 for additional information regarding fair value.

Investments measured at the net asset value (NAV): Investments valued using the net asset value (NAV) per share (or its equivalent) generally do not have readily obtainable market values and take the form of limited partnerships. The Town values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

Inventories and prepaids: Inventories are stated at cost, determined on the first-in, first-out basis. Inventories of governmental funds are recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and charges for services. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental balance sheet. Advance tax collections represent taxes inherently associated with a future period. The amount is recognized in the period in which the revenue is associated.

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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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 costs are capitalized on business-type activity capital assets.

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 uncollectible accounts.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are paid or due (matured). 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable as reported include bond premiums or discounts. Bond issuance costs are expensed as incurred.

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 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. The fund accounts 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. The Landfill discontinued accepting municipal solid waste (MSW) as of June 30, 2014 and has converted to a transfer station facility for residents.

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. Investments are reported at fair value.

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net other post-employment benefit accounting:

OPEB Trust Fund: The OPEB 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. Investments are reported at fair value.

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

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.

Net position: In the Government-Wide and Proprietary Fund Financial Statements, net position is classified in the following categories:

Net investment in capital assets: The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: 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.

Unrestricted net position (deficit): This category represents the net position 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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) in the form of a Resolution. Once adopted, the limitation, imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

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. Under the Town's adopted policy, the Town Manager or the Finance Director has the authority to assign amounts for a specific purpose as delegated by the Town Council.

Unassigned fund balance (deficit): 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.

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 position: The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds, and net position – governmental activities as reported in the government-wide statement of net position. 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	\$ 39,105,000
Premiums, net of amortization	984,051
Compensated absences	813,567
Net pension liability	14,525,582
Net OPEB liability	44,235,447
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 99,663,647</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 reconciliation between net changes in fund balances – total governmental funds, and changes in net position 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	\$ 11,086,235
Depreciation expense	(6,906,958)
Loss on disposal of capital assets	(8,100)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,171,177</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 2. Reconciliation of Government-wide and Fund Financial Statements (Continued)

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 position. 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	\$ 6,765,000
Principal repayments:	
General obligation debt	(6,000,000)
Amortization:	
Bond premium	18,500
Loss on refundings	<u>57,843</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 841,343</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	\$ (57,783)
Net OPEB liability	(30,500,413)
Accrued interest	53,884
Net pension liability	<u>1,527,891</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (28,976,421)</u>

Note 3. Cash, Cash Equivalents and Investments

Deposits: Town 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 maintains segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

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 three rating categories of any nationally recognized rating service. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by laws applicable to fiduciaries and the provisions of the applicable plan.

The Town has an investment policy for its pension and OPEB funds providing a target asset allocation of 51 percent equities (or equivalents), 29 percent fixed income, 15 percent asset allocation funds and 5 percent real estate.

With respect to mutual /co-mingled funds, the Town Retirement Plan Committee will consider the following to insure proper diversification and function of each of the funds:

- a. The mutual fund/co-mingled pool organizations selected should demonstrate:
(a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
- b. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
- c. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
- d. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

Interest rate risk: The Town's policy, which includes the Pension Trust Fund and the OPEB 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

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, 2018, approximately \$83,984,000 of the Town's bank balance of approximately \$95,093,000 was uninsured and uncollateralized.

Investments: Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town or Plans will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's or Plan's individual investments in fixed income securities and equities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the Town's or Pension Plan's name. The Town or the Pension and OPEB plans do not have a custodial credit risk policy for investments.

Cash, restricted cash and investments of the Town consist of the following at June 30, 2018:

Cash, restricted cash and equivalents:	
Deposits with financial institutions	\$ 115,277,551
State short-term investment fund	3,659,193
Total cash, restricted cash and equivalents	<u>118,936,744</u>
Less certificates of deposits classified as investments	<u>(21,900,630)</u>
	<u>97,036,114</u>
Pension and OPEB trust funds:	
Equity mutual funds	47,192,487
Fixed income mutual funds	18,926,111
Other investments - real estate	3,973,091
Total pension and OPEB investments	<u>70,091,689</u>
Total cash, cash equivalents and investments	<u>\$ 167,127,803</u>

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

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

Statement of net position:	
Cash and cash equivalents	\$ 70,825,692
Restricted cash and cash equivalents	2,380,800
Investments - certificates of deposit	21,900,630
	<u>95,107,122</u>
Fiduciary funds:	
Cash and cash equivalents	1,928,992
Investments	70,091,689
	<u>72,020,681</u>
Total cash, cash equivalents and investments	<u><u>\$ 167,127,803</u></u>

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	Over 10 Years
Fiduciary Funds:					
Fixed income mutual funds	\$ 18,926,111	\$ 2,306,671	\$ 6,533,215	\$ 3,546,683	\$ 6,539,542
Total	<u>\$ 18,926,111</u>	<u>\$ 2,306,671</u>	<u>\$ 6,533,215</u>	<u>\$ 3,546,683</u>	<u>\$ 6,539,542</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. Presented below is the minimum rating as required for each debt-type investment.

Average rating	Fixed Income Mutual Funds
AAA	\$ 9,334,049
AA	1,230,414
A	3,118,438
BBB	2,379,793
BB	1,412,138
B	685,297
Below B	550,144
Unrated	215,838
Total	<u><u>\$ 18,926,111</u></u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Fair value: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2018:

Investment Instruments Measured at Fair Value

	June 30, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:				
Equity mutual funds	\$ 47,192,487	\$ 47,192,487	\$ -	\$ -
Fixed income mutual funds	18,926,111	18,926,111	-	-
Total investments by fair value level	66,118,598	\$ 66,118,598	\$ -	\$ -
Investments measured at the net asset level (NAV):				
Real estate fund		3,973,091		
Total investments measured at the NAV		3,973,091		
Total investments measured at fair value		\$ 70,091,689		

Real estate fund: This type includes real estate investments in U.S. residential, hotel, industrial office, retail, and land and development properties. In addition, this fund invests in mezzanine loans. The fair value of this investment has been determined using NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. The values are based upon independent appraisals, estimated sales proceeds or the Manager's opinion of value. The fair values do not reflect transaction sale costs or prepayment costs, which may be incurred upon disposition of the investment or instrument. There are no unfunded commitments.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases / Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,912,827	\$ 2,121,457	\$ -	\$ 7,034,284
Construction in progress	4,121,733	8,276,351	6,913,607	5,484,477
Total capital assets not being depreciated	9,034,560	10,397,808	6,913,607	12,518,761
Capital assets being depreciated:				
Buildings and improvements	135,320,139	1,395,285	45,000	136,670,424
Machinery and equipment	36,651,341	3,717,903	132,437	40,236,807
Infrastructure	98,517,961	2,488,846	-	101,006,807
Total capital assets being depreciated	270,489,441	7,602,034	177,437	277,914,038
Less accumulated depreciation for:				
Buildings and improvements	73,508,668	3,171,234	36,900	76,643,002
Machinery and equipment	21,858,352	2,334,822	132,437	24,060,737
Infrastructure	79,845,007	1,400,902	-	81,245,909
Total accumulated depreciation	175,212,027	6,906,958	169,337	181,949,648
Total capital assets being depreciated, net	95,277,414	695,076	8,100	95,964,390
Governmental activities capital assets, net	\$ 104,311,974	\$ 11,092,884	\$ 6,921,707	\$ 108,483,151
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 410,406	\$ -	\$ 77,606	\$ 332,800
Machinery and equipment	3,096,376	77,606	-	3,173,982
Total capital assets being depreciated	3,506,782	77,606	77,606	3,506,782
Less accumulated depreciation for:				
Buildings and improvements	308,412	6,012	-	314,424
Machinery and equipment	3,072,769	23,863	-	3,096,632
Total accumulated depreciation	3,381,181	29,875	-	3,411,056
Total business-type capital assets, net	\$ 125,601	\$ 47,731	\$ 77,606	\$ 95,726

Town of Windsor, Connecticut

Notes to Financial Statements

Note 4. Capital Assets (Continued)

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

Governmental activities:		
Education		\$ 3,572,376
General government		520,310
Culture and recreation		576,044
Human services		157,884
Public works		770,733
Public safety		1,309,611
Total depreciation expense – governmental activities		<u>\$ 6,906,958</u>
Business-type activities:		
Landfill		\$ 26,676
Child development		1,000
Adult caring connection		2,199
Total depreciation expense – business-type activities		<u>\$ 29,875</u>

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, 2018 is presented below:

	Due From Other Funds	Due to Other Funds
General fund	\$ 2,538,894	\$ -
Capital Project Fund	-	513,272
Internal service fund	-	252,000
Nonmajor governmental funds	-	1,773,622
	<u>\$ 2,538,894</u>	<u>\$ 2,538,894</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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 5. Interfund Receivables, Payables and Transfers (Continued)

Interfund transfers during the year ended June 30, 2018, were as follows:

	Transfers In				Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Fund - Open Space	Nonmajor Governmental Fund - Debt Service Fund	
General Fund	\$ -	\$ 1,667,500	\$ 556,200	\$ 6,971,100	\$ 9,194,800
Adult Caring Connection nonmajor enterprise fund	73,630	-	-	-	73,630
Capital Projects Fund	513,272	-	-	-	513,272
Total transfers in	<u>\$ 586,902</u>	<u>\$ 1,667,500</u>	<u>\$ 556,200</u>	<u>\$ 6,971,100</u>	<u>\$ 9,781,702</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. The Capital Projects Fund received \$1,345,000 from the General Fund General Services Capital Projects budget to fund various projects and \$322,500 from the General Fund Unassigned Fund Balance to fund the elementary school LED lighting project. The Open Space Fund received \$181,200 from the General Fund General Services Capital Projects Budget and \$375,000 from the General Fund Unassigned Fund Balance to fund the purchase of the Millbrook property. During FY 18 the Capital Projects Fund received \$513,272 in state grant funding for the construction of a new animal shelter. The transfer to the General Fund from the Capital Projects Fund in this same amount represents partial replenishment of the \$884,000 use of the General Fund Unassigned Fund Balance that was appropriated in FY 17 for this project.

Note 6. Unearned Revenue/Deferred Inflows of Resources

Governmental funds report deferred inflows of resources 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 unavailable revenues reported in the governmental funds such as prepaid program fees:

	Unavailable Resources	Unearned Revenues
General Fund:		
Property taxes	\$ 950,326	\$ -
Advance tax collections	5,343,654	-
Other receivables	10,121	-
	<u>6,304,101</u>	<u>-</u>
Other nonmajor governmental funds:		
Prepaid program fees	-	1,092,595
Other receivables	167,811	-
	<u>167,811</u>	<u>1,092,595</u>
Total	<u>\$ 6,471,912</u>	<u>\$ 1,092,595</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities

A summary of changes in outstanding long-term obligations during the year ended June 30, 2018 is as follows:

	Beginning Balance*	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 38,340,000	\$ 6,765,000	\$ 6,000,000	\$ 39,105,000	\$ 6,015,000
Unamortized premiums	965,551	152,877	134,377	984,051	-
	<u>39,305,551</u>	<u>6,917,877</u>	<u>6,134,377</u>	<u>40,089,051</u>	<u>6,015,000</u>
Other long-term liabilities:					
Compensated absences	871,350	850,281	908,064	813,567	203,390
Net pension liability	12,997,691	1,527,891	-	14,525,582	-
Net OPEB liability*	74,735,860	-	30,500,413	44,235,447	-
	<u>88,604,901</u>	<u>2,378,172</u>	<u>31,408,477</u>	<u>59,574,596</u>	<u>203,390</u>
Governmental activities long-term liabilities	<u>\$ 127,910,452</u>	<u>\$ 9,296,049</u>	<u>\$ 37,542,854</u>	<u>\$ 99,663,647</u>	<u>\$ 6,218,390</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 53,395	\$ 55,814	\$ 47,915	\$ 61,294	\$ 15,324
Landfill post closure costs	36,060,000	-	1,240,000	34,820,000	1,392,800
Total other long-term liabilities	<u>36,113,395</u>	<u>55,814</u>	<u>1,287,915</u>	<u>34,881,294</u>	<u>1,408,124</u>
Business-type activities long-term liabilities	<u>\$ 36,113,395</u>	<u>\$ 55,814</u>	<u>\$ 1,287,915</u>	<u>\$ 34,881,294</u>	<u>\$ 1,408,124</u>

All long-term liabilities for governmental activities are liquidated by the General Fund.

*Amounts restated due to implementation of GASB Statement No. 75.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

General obligation bonds: As of June 30, 2018, the outstanding general obligation bonds of the Town were as follows:

Town of Windsor Debt Outstanding Purpose	Maturity Ranges	Issued	Interest Rate	Original Amount	Balance 6/30/2018
General Purpose:					
Public General Obligation	\$365,000 - \$375,000	2012	2.0	\$ 4,490,000	\$ 365,000
Public General Obligation	\$410,000 - \$425,000	2013	1.25-2.0	4,085,000	2,390,000
Public General Obligation	\$500,000 - \$520,000	2014	2.0-3.0	3,690,000	2,210,000
Public Refunding	\$45,000 - \$1,415,000	2014	2.0-4.0	3,355,000	3,068,000
Public General Obligation	\$235,000 - \$270,000	2015	2.0-2.5	3,165,000	2,365,000
Public General Obligation	\$310,000 - \$315,000	2016	2.0	3,755,000	3,135,000
Public General Obligation	\$213,000	2017	2.0-4.0	4,260,000	4,047,000
Public Refunding	\$53,000 - \$1,573,000	2017	2.0-4.0	5,657,000	5,395,000
Public General Obligation	\$195,000 - \$215,000	2018	2.0-5.0	3,135,000	3,135,000
Total general purpose				<u>50,494,000</u>	<u>26,110,000</u>
Schools:					
School General Obligation	\$410,000 - \$425,000	2013	1.25-2.0	950,000	555,000
School General Obligation	\$500,000 - \$520,000	2014	2.0-3.0	1,330,000	810,000
School General Obligation Refunding	\$45,000 - \$1,415,000	2014	2.0-4.0	915,000	847,000
School General Obligation	\$180,000 - \$190,000	2015	2.0-2.5	2,205,000	1,655,000
School General Obligation	\$40,000 - \$50,000	2016	2.0	530,000	430,000
School General Obligation	\$82,000 - \$87,000	2017	2.0-4.0	1,685,000	1,603,000
School Refunding	\$47,000 - \$1,297,000	2017	2.0-4.0	3,568,000	3,465,000
School General Obligation	\$255,000 - \$240,000	2018	2.0-5.0	3,630,000	3,630,000
Total schools				<u>30,841,000</u>	<u>12,995,000</u>
Grand total				<u>\$ 81,335,000</u>	<u>\$ 39,105,000</u>

The following is a summary as of June 30, 2018, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending June 30:	Principal	Interest	Total
2019	\$ 6,015,000	\$ 1,051,699	\$ 7,066,699
2020	6,020,000	866,550	6,886,550
2021	5,090,000	688,525	5,778,525
2022	3,980,000	554,480	4,534,480
2023	3,935,000	443,680	4,378,680
2024-2028	9,100,000	1,282,450	10,382,450
2029-2033	4,965,000	607,800	5,572,800
Total	<u>\$ 39,105,000</u>	<u>\$ 5,495,184</u>	<u>\$ 44,600,184</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

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	\$ 224,217,214	\$ 26,110,000	\$ 198,107,214
Unfunded pension benefit obligation	298,956,285	-	298,956,285
Schools	448,434,427	12,995,000	435,439,427
Sewers	373,695,356	-	373,695,356
Urban renewal	323,869,308	-	323,869,308

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or approximately \$697,564,665.

Bonds authorized but unissued: The Town had no bonds authorized but unissued at June 30, 2018.

Note 8. Employee Retirement Plans

Employee pension plans: The Town maintains the Town of Windsor Retirement Plan, a single-employer, 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, hired before July 1, 2011 (before November 1, 2011 for the Teamster Local 671 bargaining unit and before November 1, 2012 for the United Public Service Employee Union Local 424). The PERS plan does not issue a separate stand-alone financial report.

Plan administration: The general administration and management of the Town pension plan and the responsibility for carrying out the provision of the plan shall be placed in the Town Retirement Plan Committee. The Town Retirement Plan Committee shall consist of the Town Manager, Finance Director, Superintendent of Schools and an employee of the Board of Education designated by the Superintendent of Schools.

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.

The membership in the PERS at July 1, 2017, the date of the actuarial valuation, is comprised of the following:

Retirees and beneficiaries currently receiving benefits	206
Vested terminated employees	48
Active members	242
Total	<u>496</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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. Non-affiliated administrative employees and public safety dispatchers are required to contribute 4.50 percent of their earnings. Public works/clerical employees collective bargaining group contribute 4.00 percent. 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 8.87 percent 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.

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Plan Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2018.

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US Core Fixed Income	Barclays Aggregate	34.25%	2.65%
Us Equity Market	Russell 3000	30.00%	4.86%
Global Equity	MSCI ACW NR	9.75%	5.23%
Non-US Equity	MSCI ACW xUS NR	21.00%	6.06%
Private Real Estate Property	NCREIF Property	5.00%	3.85%

The long-term expected rate of return on the Town Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2018 are summarized in the table above.

Rate of return: For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.27 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate: The discount rate used to measure the total pension liability was 7.125 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the Town will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Net pension liability of the Town: The components of the net pension liability of the Town at June 30, 2018 were as follows:

<u>Net Pension Liability</u>	<u>June 30, 2018</u>
Total pension liability	\$ 83,997,263
Fiduciary net position	69,471,681
Net pension liability	14,525,582
Fiduciary net position as a percentage of total pension liability	82.71%
Covered payroll	13,489,831
Net pension liability as a percentage of covered payroll	107.68%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2017, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2018. The plan was amended to increase the employee contribution rate from 4.50 percent to 5.00 percent effective January 1, 2018 for all Non-Affiliated Employees.

Discount rate:

Discount rate	7.125%
Long-term expected rate of return, net of investment expense	7.125%
Municipal bond rate	N/A

Net pension liability of the Town: The components of the net pension liability of the Town at June 30, 2018 were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u> (a)	<u>Plan Fiduciary Net Position</u> (b)	<u>Net Pension Liability</u> (a) - (b)
Balances at 6/30/17:	\$ 80,386,167	\$ 67,388,476	\$ 12,997,691
Changes for the year:			
Service cost	1,018,554	-	1,018,554
Interest on total pension liability	5,766,548	-	5,766,548
Effect of plan changes	(16,420)	-	(16,420)
Effect of economic/demographic gains or losses	(456,842)	-	(456,842)
Effect of assumptions changes or inputs	1,097,961	-	1,097,961
Benefit payments	(3,798,705)	(3,798,705)	-
Employer contributions	-	1,196,328	(1,196,328)
Member contributions	-	562,992	(562,992)
Net investment income	-	4,142,017	(4,142,017)
Administrative expense	-	(19,427)	19,427
Net changes	<u>3,611,096</u>	<u>2,083,205</u>	<u>1,527,891</u>
Balances at 6/30/18	<u>\$ 83,997,263</u>	<u>\$ 69,471,681</u>	<u>\$ 14,525,582</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Other key actuarial assumptions:

Valuation date	July 1, 2017
Measurement date	June 30, 2018
Inflation	2.75%
Salary increases including inflation	3.50%
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale AA
Actuarial cost method	Entry Age Normal

Sensitivity analysis: The following table presents the net pension liability of the Town, calculated using the discount rate of 7.125 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.125 percent) or 1 percentage point higher (8.125 percent) than the current rate.

	1% Decrease 6.125%	Current Discount Rate 7.125%	1% Increase 8.125%
Net pension liability	\$ 24,240,621	\$ 14,525,582	\$ 6,373,571

For the year ended June 30, 2018, the Town recognized pension expense of \$3,540,659 for the Town pension. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the Town pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,412	\$ (399,399)
Change of assumptions	1,296,742	-
Net Difference between expected and actual earnings	1,374,460	-
Total	<u>\$ 2,674,614</u>	<u>\$ (399,399)</u>

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

Year Ending June 30:	
2019	\$ 1,970,557
2020	821,211
2021	(633,739)
2022	117,186
Thereafter	-

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

**Schedule of Plan Net Position
June 30, 2018**

	Pension Trust Fund	OPEB Trust Other Post- Employment Benefit Fund	Total
	Town Pension Fund		
Assets			
Cash	\$ 645,847	\$ 19,888	\$ 665,735
	645,847	19,888	665,735
Investments:			
Equity mutual funds	45,933,441	1,259,046	47,192,487
Fixed income mutual funds	18,274,106	652,005	18,926,111
Other investments - real estate	3,973,091	-	3,973,091
Total investments	68,180,638	1,911,051	70,091,689
Contributions receivable	644,398	-	644,398
Other receivables	798	1,514	2,312
Total assets	69,471,681	1,932,453	71,404,134
Liabilities			
Accounts payable	-	1,486	1,486
Net position - restricted for pension benefits and OPEB	\$ 69,471,681	\$ 1,930,967	\$ 71,402,648

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

**Schedule of Changes in Plan Net Position
Year Ended June 30, 2018**

	Pension Trust Fund	OPEB Trust Other Post- Employment Benefit Fund	Total
	Town Pension Fund		
Additions:			
Employer contributions	\$ 1,196,328	\$ 500,000	\$ 1,696,328
Plan members	552,699	-	552,699
Total contributions	1,749,027	500,000	2,249,027
Investment income:			
Net appreciation in fair value of investments	2,800,177	54,561	2,854,738
Interest and dividends	1,352,133	39,684	1,391,817
Less investment expenses:			
Investment management fees	19,427	1,117	20,544
Net investment income	4,132,883	93,128	4,226,011
Total additions	5,881,910	593,128	6,475,038
Deductions:			
Benefits	3,798,705	-	3,798,705
Change in net position	2,083,205	593,128	2,676,333
Net position, restricted for pensions and OPEB:			
Beginning of year	67,388,476	1,337,839	68,726,315
End of year	\$ 69,471,681	\$ 1,930,967	\$ 71,402,648

Aggregate pension plans:

	Net Liability (Asset)	Pension Expense	Deferred Inflows	Deferred Outflows
Defined Benefit Plan (PERS)	\$ 14,525,582	\$ 3,540,659	\$ (399,399)	\$ 2,674,614
Connecticut Municipal Retirement System (CMERS)	(2,471,406)	1,711,919	(16,992)	2,682,544
Total	\$ 12,054,176	\$ 5,252,578	\$ (416,391)	\$ 5,357,158

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Town of Windsor retirement plan – defined contribution pension plan: As part of the FY 2012 budget process, management took steps to reduce the town's cost of providing retirement benefits for future employees. To help mitigate future increases in retirement costs, the Town Council voted to amend the Personnel Rules requiring all non-affiliated full-time employees hired after July 1, 2011 to participate in a 401(a) defined contribution plan. This Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion. All members of the Teamsters Local 671 collective bargaining unit hired after November 1, 2011 are required to participate in a 401(a) defined contribution plan. All members of the United Public Service Employees Union Local 424 (Public Safety Dispatchers collective bargaining unit hired on or after November 1, 2012 are required to participate in a 401(a) defined contribution plan. As of July 1, 2013, all new hires of the Board of Education (excluding teachers), regardless of affiliation, participate in a 401(a) defined contribution plan.

The Defined Contribution Plan requires the Town to contribute 5 percent of each participant's salary. Employees are also required to contribute 5 percent of their salary and may make additional contributions subject to IRS regulations. Both employee and Town contributions to the plan amounted to \$134,540 for the year. The assets for the Plan are held by ICMA Retirement Corporation. The balance of the Plan is not reflected in the accompanying financial statements of the Town, as the Town's role in the administration of the Plan is limited.

Connecticut Municipal Employees' Retirement Fund B: All uniformed police officers of the Town participate in the Connecticut Municipal Employees Retirement System (CMERS), 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. CMERS 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 at www.ct.gov.

Funding policy: Town plan members are required by State statute to contribute 5 percent of earnings (based on earnings not being covered by Social Security). Each participating municipality is required to contribute at an actuarially determined rate. The rate for fiscal year 2018 is 16.93 percent 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 CMERS for the years ended June 30, 2018 were \$961,140, equal to the required contributions for each year.

Benefit provisions: Plan provisions are set by Statute of the State of Connecticut. CMERS provides retirement benefits, as well as death and disability benefits. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

Average final compensation: Average of the three highest paid years of service.

Normal form of benefit: Life annuity.

Year's breakpoint: With respect to the calendar year in which a member terminates service, \$10,700 increased by 6.0 percent each year after 1982, rounded to the nearest multiple of \$100.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Service retirement allowance:

Condition for allowance: Age 55 and 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Compulsory retirement at age 65 for police and fire members.

Amount of allowance: For members not covered by Social Security: 2 percent of average final compensation times years of service. For members covered by Social Security: 1-1/2 percent of the average final compensation not in excess of the year's breakpoint plus 2 percent of average final compensation in excess of the year's breakpoint, times years of service. The maximum benefit is 100 percent of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers compensation and social security benefits. If any member covered by social security retires before age 62, his/her benefit until he/she reaches age 62 or receives a social security disability award is computed as if he/she were not under social security.

Disability retirement allowance:

Condition for allowance: 10 years of service and permanently and totally disabled from engaging in any gainful employment in the service of the municipality.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability.

Service connected disability:

Condition for allowance: Totally and permanently disabled from engaging in any gainful employment in the service of the municipality provided such disability has arisen out of and in the course of his/her employment with the municipality. Disability due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty.

Amount of allowance: Calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50 percent of compensation at the time of the disability.

Vesting retirement allowance:

Condition for allowance: 5 years of continuous or 15 years of active aggregate service.

Amount of allowance: Calculated as a service retirement allowance on the basis of average final compensation and service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Death benefit:

Condition for benefit: Eligible for service, disability retirement, or vested allowance, and married for at least 12 months preceding death.

Amount of benefit: Computed on the basis of the member's average final compensation and creditable service at date of death, payable to the spouse. Benefit is equal to 50 percent of the average of the life annuity allowance and the reduced 50 percent joint and survivor allowance.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Return to deductions: Upon the withdrawal of a member, the amount of his accumulated deductions is payable to him/her on demand, with 5 percent interest from July 1, 1983.

Optional benefits: Prior to the retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the options forms described below: 1. A reduced retirement allowance payable during his life with the provision that after his death the beneficiary designated by him at the time of this retirement; or 2. A reduced retirement allowance payable during his life with the provision that after his death, an allowance of one-half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; 3. A reduced retirement allowance payable during his life with a guarantee of 120 or 240 monthly payments to the member or his designated beneficiary.

Cost-of-living-adjustment: For those retired prior to January 1, 2002: (i) the benefits of disabled retirees, service retirees who have reached age 65, and beneficiaries of deceased retirees who would have reached age 65 are adjusted each July 1. The difference between the actual annual yield of the actuarial value of assets on a calendar year basis to a 6 percent yield is calculated. This difference is the adjustment applied the following July 1. The minimum adjustment is 3 percent and the maximum is 5 percent. (ii) The benefits for all others on the roll are adjusted on January 1, 2002 and on each subsequent July 1. The amount of each adjustment is 2.5 percent. For those retiring in or after January 1, 2002, benefits are adjusted each July 1. The adjustment is 60 percent of the annual increase in the CPI up to 6 percent. The minimum annual COLA is 2.5 percent; the maximum is 6 percent.

Assumptions: The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	7/1/2016
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market with 20% recognition of investment gains and losses
Investment rate return*	8.00%, net of investment related expense
Projected salary increases*	4.25-11.00%
Inflation	3.25%
Social Security wage base	3.50%
* includes inflation at 3.25%	
Mortality	The RP2000 Mortality Table for Annuity and Non-Annuity (set forward one year for males and set back one year for females).

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	16%	5.8%
Developed Non-U.S. Equities	14%	6.6%
Emerging Markets (non-U.S)	7%	8.3%
Core Fixed Income	8%	1.3%
Inflation Linked Bonds	5%	1.0%
Emerging Market Bonds	8%	3.7%
High Yield Bonds	14%	3.9%
Real Estate	7%	5.1%
Private Equity	10%	7.6%
Alternative Investments	8%	4.1%
Liquidity Fund	3%	0.4%
	<u>100%</u>	

Discount rate: the discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension asset, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2018, the Town reported a net pension asset of \$2,671,406 for its proportionate share of the net pension (asset) liability related to its participation in CMERS. The total pension liability (asset) as of June 30, 2017 is based upon the June 30, 2016 actuarial valuation that was rolled forward to June 30, 2017 (measurement date). The Town's proportion of the net pension liability was based on its share of contributions to the CMERS for fiscal year 2017 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2017, the Town's proportion was 3.74 percent. There was no change in the proportionate share from the prior year.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

For the year ended June 30, 2018, the Town recognized pension expense of \$1,711,919 related to the CMERS plan. At June 30, 2018, the Town reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,102,939	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	299,609	(16,992)
Net difference between expected and actual earnings	318,856	-
Contributions made subsequent to measurement date	961,140	-
Total	<u>\$ 2,682,544</u>	<u>\$ (16,992)</u>

\$961,140 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2019	\$ 622,572
2020	775,524
2021	506,544
2022	(200,228)
2023	-
Thereafter	-

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension asset of the State of Connecticut Teachers' Retirement System (the System), calculated using the discount rate of 8.00 percent, as well as what the System's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Town's share of net pension (asset) liability associated with the Plan	<u>\$ 1,613,207</u>	<u>\$ (2,671,406)</u>	<u>\$ (6,235,126)</u>

Connecticut State Teachers' Retirement System: All certified personnel participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has (1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or (2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are serviced in the public schools of Connecticut.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Description of system: Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. The System is a cost-sharing multiple-employer defined benefit pension system with a special funding situation. The System is considered 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 at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut is eligible for vested benefits of 2 percent of average annual salary times years of credited service (maximum benefit is 75 percent of average annual salary).

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2 percent less 0.1 percent for each year less than 20 years of average annual salary times years of credited service.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 6.0 percent of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2017/2018 school year, \$7,551,305 mandatory contributions were deducted from the salaries of eligible employees who were participants of the System during that school year. The estimated covered payroll for the Town is \$31,929,411.

The Town has no obligation to contribute to the plan; as such, a schedule of contributions is not presented.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – Jun 30, 2015. The total pension liability as of June 30, 2017 is based upon the June 30, 2016 actuarial valuation that was rolled forward to June 30, 2017 (measurement date), using the following key actuarial assumptions:

Inflation	2.75%
Salary increases, including inflation	3.25-6.50%
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 percent

For healthy retirees and beneficiaries, the RPH-2014 White Collar table with employee and annuitant rates blended from the ages 50 to 80 projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2018 using BB improvement scale.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging Markets (non-U.S.)	9.00%	8.30%
Real Estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Core fixed income	7.00%	1.30%
High yield bonds	5.00%	3.90%
Emerging market bond	5.00%	3.70%
Inflation Linked Bond fund	3.00%	1.00%
Cash	6.00%	0.40%
	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Note 8. Employee Retirement Plans (Continued)

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$100,735,001 and 100 percent of the collective net pension liability is allocated to the State. The Town has no proportionate share of net pension liability.

The total pension liability as of June 30, 2017 is based upon the June 30, 2016 actuarial valuation that was rolled forward to June 30, 2017 (measurement date). Since the July 1, 2016 valuation, the State adopted new assumptions based on the 2015 Experience Study. The changes in assumptions are summarized below:

Economic assumptions:

1. Reduce the inflation assumption from 3.00% to 2.75%.
2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%.
4. Slightly modify the merit portion of the salary scale.
5. Reduce the payroll growth assumption from 3.75% to 3.25%.

Demographic assumptions:

6. Update mortality tables to projected versions of the RPH-2014 mortality tables.
7. Increase normal retirement rates for females at most ages and pro-ratable retirement rates for males at most ages. Decrease early retirement rates for both males and females.
8. Increase rates of withdrawal.
9. Decrease rates of disability for males.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$11,652,097 as the amount expended by the State on behalf of the Town to meet the State's funding requirements. The Town does not have any liability for teacher pensions.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits

In addition to providing pension benefits, the Town provides certain healthcare benefits for its retired employees and their spouses, as outlined below:

<p>Eligibility</p>	<p>Teachers and Central Office Administrators: A Teacher or Administrator retiring shall be eligible to receive medical and dental benefits for self and spouse. Normal Retirement for Teachers and Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.</p> <p>Police: Employees retiring under the Connecticut Municipal Employees' Retirement Fund B (MERF B), shall be eligible to receive health benefits for self and spouse only if similar insurance is not available through another employer or spouse's employer.</p> <p>Town, BOE Non-Certified and Dispatchers hired before July 1, 2016: Employees retiring under the Town of Windsor Retirement Plan, shall be eligible to receive health benefits for self and spouse. Coverage for self - age 55 with 10 years of service. Coverage for spouse - earlier of age 55 with 30 years of service or age 65 with 10 years of service. Town employees shall be eligible to receive health benefits for self and spouse only if similar insurance is not available through another employer or spouse's employer.</p> <p>Dispatchers hired on and after July 1, 2016: Employees retiring under the Town of Windsor Retirement Plan, shall be eligible to receive health benefits for self and spouse. Coverage for self - age 55 with 15 years of service. Coverage for spouse - earlier of age 55 with 30 years of service or age 65 with 15 years of service.</p>
<p>Cost Sharing</p>	<p>Police: <i>Hired prior to July 1, 2013:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree pays same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid. <i>Hired on or after July 1, 2013:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree pays same percentage of premium that is in effect for current employees for self and 100% for spouse.</p>

Note 9. Other Post-Employment Benefits (Continued)

<p>Cost Sharing</p>	<p>Town Administrative: <i>Hired prior to July 1, 2009:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree contributes 0% of the cost for self and 100% for spouse. <i>Hired after July 1, 2009 and prior to March 1, 2013:</i> Medical - Retiree contributes 25% of the cost for self and 50% for spouse. Dental - Retiree contributes 0% of the cost for self and 100% for spouse. <i>Hired on or after March 1, 2013:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree contributes 0% of the cost for self and 100% for spouse.</p> <p>Dispatchers: <i>Hired prior to January 1, 2007:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree pays the same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid. <i>Hired after January 1, 2007 and prior to July 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, to a maximum retiree share of 25% for the retiree and 40% for the spouse. Dental - Retiree pays the same percentage of premium that is in effect for current employees for self, with a maximum retiree share of 25%. Spouse coverage is available at 100% retiree-paid. <i>Hired on or after July 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse.</p> <p>Town Teamsters: <i>Hired prior to July 1, 2008:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, up to a maximum retiree share of 25% of the premium. Dental - Retiree contributes 100% of the cost for self and spouse. <i>Hired after July 1, 2008 and prior to November 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and spouse, to a maximum retiree share of 25% for the retiree and 50% for the spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p>
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Note 9. Other Post-Employment Benefits (Continued)

Cost Sharing	<p><i>Hired on or after November 1, 2011:</i> Medical - Retiree pays the same percentage of premium that is in effect for current employees for self and 100% for spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board NAGE (Custodians/Maintenance/Food): <i>Hired prior to July 1, 2010:</i> Medical - Retiree contributes 75% of the cost for self and 100% for spouse. Dental - Retiree contributes 100% of the cost for self and spouse. <i>Hired on or after July 1, 2010:</i> Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board Nurses: Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board Non-Affiliated: <i>Hired prior to January 1, 2007:</i> Retiree pays the same percentage of premium that is in effect at the time of the employee's retirement. Medical - Retiree contributes 15% of the cost for self and 50% for spouse. Dental - Retiree contributes 15% of the cost for self and 25% for spouse, up to an annual cap of \$2,500. <i>Hired on or after January 1, 2007:</i> Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Board Administrative Support Staff: <i>Hired prior to July 1, 2008:</i> Medical - Retiree contributes 85% of the cost for self and 100% for spouse. Dental - Retiree contributes 85% of the cost for self and 100% for spouse. <i>Hired on or after July 1, 2008:</i> Medical - Retiree contributes 100% of the cost for self and spouse. Dental - Retiree contributes 100% of the cost for self and spouse.</p> <p>Teachers and Central Office Administrators: Medical* - Retiree contributes 100% of the cost for self and spouse. Dental*- Retiree contributes 100% of the cost for self and spouse. * less \$1,320 annual CT Teachers Retirement Board subsidy.</p> <p>Other Bargaining Units: No retiree medical or dental benefits are provided.</p>
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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, 2017. The post-retirement plan does not issue stand-alone financial reports.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

The valuation date is July 1, 2017. The measurement date is June 30, 2018, which was based on a roll forward of the July 1, 2017 valuation. The net OPEB liability is report at the measurement date of June 30, 2018.

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, 2017:

Retirees and beneficiaries receiving benefits	202
Active plan members	652
Total	<u>854</u>

Actuarial assumptions are as follows:

Valuation date	July 1, 2017
Actuarial cost method	Entry Age Normal
Asset funding method	Fair value
Amortization method	Level Percent (closed)
Remaining amortization period	26 Years Decreasing (non-police), 16 years Decreasing(Police)
Actuarial assumptions	
Investment rate of return	5.00%
Discount rate	3.87%
Inflation rate	2.70%
Amortization growth rate	3.00%
Health cost trend rates	7.27% to 4.47% over 70 years

Change in assumptions:

Medical Claims Costs: The medical claim cost assumption was changed from the previous valuation to reflect more current claim experience. This resulted in a \$15 million decrease in the net OPEB liability.

Discount rate: The discount rate was changed from 5.0 percent to 3.87 percent.

Investments:

Investment policy: The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Rate of return: For the year ended June 30, 2018, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	<u>OPEB Plan</u>
Rate of return	5.95%

Net OPEB liability of the Town: The components of the net OPEB liability of the Town at June 30, 2018 were as follows:

Net OPEB Liability as of June 30, 2018	<u>OPEB Plan</u>
Total OPEB liability	\$ 46,166,414
Plan fiduciary net position	1,930,967
Net OPEB liability	44,235,447
Plan fiduciary net position as a percentage of total OPEB liability	4.18%
Covered payroll	45,660,809

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
Balances at 6/30/17:	\$ 76,073,699	\$ 1,337,839	\$ 74,735,860
Changes for the year:			
Service cost	1,748,526	-	1,748,526
Interest on total OPEB liability	2,759,843	-	2,759,843
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(28,316,996)	-	(28,316,996)
Effect of assumptions changes or inputs	(4,622,454)	-	(4,622,454)
Benefit payments	(1,476,204)	(1,476,204)	-
Employer contributions	-	1,976,204	(1,976,204)
Member contributions	-	-	-
Net investment income	-	94,245	(94,245)
Administrative expense	-	(1,117)	1,117
Net changes	<u>(29,907,285)</u>	<u>593,128</u>	<u>(30,500,413)</u>
Balances at 6/30/18	<u>\$ 46,166,414</u>	<u>\$ 1,930,967</u>	<u>\$ 44,235,447</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Core Fixed Income	35.00%	2.65%
US Large Caps	36.00%	4.57%
Non-US Equity	24.00%	6.06%
US REITS	5.00%	5.07%
	100.00%	

Discount rate: The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be deplete in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Town, calculated using the discount rate of 3.87%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	2.87%	3.87%	4.87%
OPEB Plan	\$ 51,329,287	\$ 44,235,447	\$ 38,498,866

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.6% decreasing to 3.6%) or 1 percentage point higher (6.6% decreasing to 5.6%) than the current healthcare cost trend rates:

Net OPEB Liability	1.0% Decrease (6.27% decreasing to 3.47%)	Healthcare Cost Trend Rates (7.27% decreasing to 4.47%)	1.0% Increase (8.27% increasing to 5.47%)
OPEB Plan	\$ 37,600,146	\$ 44,235,447	\$ 52,563,709

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2018, the Town recognized OPEB expense of \$257,621. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (24,732,566)
Changes of assumptions	-	(4,037,333)
Net difference between projected and actual earnings on OPEB plan investments	-	(11,931)
	\$ -	\$ (28,781,830)

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

Year Ending June 30:	
2019	\$ (4,172,534)
2020	(4,172,534)
2021	(4,172,534)
2022	(4,172,533)
2023	(4,169,551)
Thereafter	(7,922,144)
	\$ (28,781,830)

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Other Post-Employment Benefit - Connecticut State Teachers' Retirement Plan

Plan Description

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

Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

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

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

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

Survivor healthcare coverage: Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB Sponsored Medicare Supplemental Plans, as long as they do not remarry.

Eligibility: Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan.

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

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

Early retirement: 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.

Proratable retirement: Age 60 with 10 years of credited service

Disability retirement: 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.

Termination of employment: 10 or more years of Credited Service.

Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

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

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>25,928,047</u>
	<u>\$ 25,928,047</u>

The net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016, which was rolled forward to determine the June 30, 2017 liability. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$1,201,637 for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Healthcare costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25% – 6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB Statement No. 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.02%).

Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

Other Information

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

Note 10. Risk Management

The Town self-insures its liability for workers' compensation claims to a limit of \$600,000 per 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. USI/FutureComp, 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.

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 self-funded through Anthem Blue Cross/Blue Shield of Connecticut and Express Scripts. Funds are transferred into the Insurance Internal Service Fund from other funds and are available to pay the health/medical premium costs.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

The Town is self-insured for health benefits. Claim activity and service fees are accounted for in a self-insurance reserve fund. The Town has Individual Stop Loss (ISL) coverage through CT Prime that limits the Town's liability to \$175,000 annually. On an aggregate basis, the Town's liability is limited to 125 percent of expected claims (approximately \$3,200,000). Claims exceeding the Town's maximum liability are fully insured through aggregate stop loss coverage. Anthem, the provider, administers the payment of claims and calculates and provides the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. Arthur J. Gallagher & Co., the Town's consultant, analyzes claims and advises the Town on all health insurance related issues. Conservatively, through the budget process and available reserves, the Town will project to have at a minimum, the Town's maximum liability available to process expected claims.

The BOE records its liability for health benefits in a self-insurance reserve fund and accounts for claim activity and service fees on a self-insured basis. The BOE has ISL coverage that limits the BOE's liability to \$150,000 annually. On an aggregate basis, the BOE's liability is limited to 110 percent of expected claims (approximately \$11,300,000). Claims exceeding the BOE's maximum liability are fully insured through aggregate stop loss coverage. Anthem, the provider, administers the payment of claims. Lockton Companies, the BOE's consultant, analyzes claims and advises the BOE on all health insurance related issues as well as calculating and providing the accrued liability at year-end based on prior claims experience and the amount of unsettled claims outstanding on an actuarial basis. Conservatively, through the budget process and available reserves, the BOE will project to have at a minimum, the BOE's maximum liability available to process expected claims.

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

Workers' Compensation / Heart and Hypertension / Liability	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2016-17	\$ 1,933,669	\$ 1,729,340	\$ 1,712,373	\$ 1,950,636
2017-18	1,950,636	1,458,209	1,651,481	1,757,364
Town - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2016-17	\$ 162,579	\$ 4,397,983	\$ 4,342,831	\$ 217,731
2017-18	217,731	4,028,726	4,041,765	204,692
BOE - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2016-17	\$ 482,699	\$ 10,108,140	\$ 10,105,647	\$ 485,192
2017-18	485,192	9,206,403	9,260,972	430,623

Town of Windsor, Connecticut

Notes to Financial Statements

Note 10. Risk Management (Continued)

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 \$15,000,000. 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.

Property and casualty risks are fully insured except for the general environmental liability exposure represented by the landfill, which is essentially uninsurable.

Note 11. Contingencies

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 \$86,497,500 or 8.89% of the debt of the District.

Law suits: 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 does not believe any potential claims against the Town would 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. The results of a July 2014 capacity analysis show that the landfill has reached its overall capacity as of June 30, 2014. The landfill stopped accepting commercial waste on July 1, 2014, and has since been converted to a transfer station facility for residents.

The \$34,820,000 reported as landfill closure and post-closure care liability at June 30, 2018, is \$1,240,000 less than the liability reported on June 30, 2017. This decrease, or adjustment in estimated closure costs accrued to date, directly increases the operating income for the Landfill Enterprise Fund in fiscal year 2018. These amounts are based on what it would cost to perform all closure and post-closure care at 2018 prices with a third party performing all closure work. Actual costs may also change based on inflation, compliance with the State of Connecticut stewardship permit, changes in technology, changes in the regulations, or if some or most of the work is performed by staff. The engineering analysis assumes that numerous engineering and construction procedures will be required.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 12. Landfill Closure and Post-closure Care Costs (Continued)

The landfill served 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." The Town is responsible for the funding, accounting and financial reporting for the landfill on behalf of both towns. The post-closure cost will be covered by the landfill's funds. If those funds run out, and only if they do, then the Town of Windsor and the Town of Bloomfield will split the costs. It is anticipated that no additional amount will be required from the Towns for closure of the landfill.

The landfill is currently operating under the State of Connecticut stewardship permit issued by the Department of Energy and Environmental Protection (DEEP) that addresses the requirements of the regulations, including the control and monitoring of leachate and landfill generated gases.

Note 13. Fund Deficit

The following fund had a net fund deficit as of June 30, 2018:

Landfill Fund	<u>\$9,665,158</u>
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The fund deficit will be funded using the Landfill Fund cash and investments earnings and principle and if needed by the General Fund once the Landfill Fund cash and investments are exhausted.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 14. Fund Balances

The Town classifies fund balances under the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The details for the Town's fund balance are the following:

	General Fund	Capital Projects	Nonmajor Governmental Funds
Fund balances:			
Nonspendable:			
Inventories	\$ 29,194	\$ -	\$ 12,540
Prepaid expenses	9,830	-	3,956
Scholarship fund principal	-	-	13,000
Total nonspendable	39,024	-	29,496
Restricted:			
Scholarship funding	-	-	2,070
Library operations & recreation	-	-	104,950
Human services programs	-	-	171,407
Public safety programs	-	-	157,507
Road construction and maintenance	-	-	1,214,893
Community development block grant loans	-	-	2,101,849
Education	-	-	320,810
School capital improvements	-	548,053	-
Road and sidewalk construction and maintenance	-	534,076	-
Other capital projects	-	1,298,671	-
Other programs	-	-	66,058
Total restricted	-	2,380,800	4,139,544
Committed:			
Open space program	-	-	258,923
School capital improvements	-	3,121,276	-
Road and sidewalk construction and maintenance	-	3,711,559	-
Other capital projects	-	2,266,627	-
Debt Service	-	-	1,324,828
Total committed	-	9,099,462	1,583,751
Assigned:			
Subsequent year expenditures	900,000	-	-
Education	1,001,514	-	114,542
General government activities	400,668	-	-
Recreation programs	1,122,987	-	-
Clinic services	57,402	-	-
Public safety and police private duty	967,461	-	-
Building maintenance	408,058	-	-
Community development	-	-	436,291
Other capital projects	-	997,619	-
Total assigned	4,858,090	997,619	550,833
Unassigned	22,868,466	-	-
Total fund balance	\$ 27,765,580	\$ 12,477,881	\$ 6,303,624

Encumbrances contained in the above table are as follows: \$1,154,928 in the General Fund, \$5,436,879 in the Capital Projects Fund, and \$58,140 in Nonmajor Governmental Funds.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 15. Tax Abatements

The Town has the authority to offer economic development incentives in the form of local tax abatements to eligible applicants for both real property and manufacturing machinery and equipment. The statutory authority for these abatements are in accordance with Connecticut General Statutes Sec. 2 65(b). The Town had tax abatement agreements with four entities as of June 30, 2018:

Company Name	Description	Percentage of Taxes Abated in FY18	Amount of Taxes Abated in FY18
Amazon.com Inc.	Fulfillment Center	70%	\$1,087,082
Dollar Tree Inc.	Distribution Center	25%	329,147
Windsor Station	Apartment Complex	50%	178,487
Leipold Inc.	Precision Manufacturer	30%	6,224

Note 16. Governmental Accounting Standards Board (GASB) Statements

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, though the amount has not yet been determined:

- **GASB issued Statement No. 83, *Certain Asset Retirement Obligations*.** This Statement addresses accounting and financial reporting for certain asset retirement obligations. (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2018.
- **GASB Statement No. 84, *Fiduciary Activities*,** is effective for reporting periods beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Town is aware of this Statement and will assess its impact to ensure timely implementation.
- **GASB Statement No. 87, *Leases*,** establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, which should result in the recognition and reporting of leased assets and the liability associated with subsequent lease payments, which have historically been classified as operating leases of the current reporting period only. The new statement requires a Lessee to recognize a lease liability and an intangible right-to-use lease asset, with the lessor required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

- **GASB Statement No. 88**, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, defines debt purposes of disclosure in the notes to financial statements as a liability that arises from a contractual obligation to pay cash, or other assets in lieu of cash, to settle a fixed amount established at the date of obligation. The statement requires additional information related to debt to be disclosed in the notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and specified terms in debt agreements related to significant events of default and the resulting financial consequences. The statement also requires disclosure be provided for direct borrowings and direct placements of debt separate from other forms of debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.
- **GASB Statement No. 89**, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.
- **GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61**. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

**Required Supplementary
Information - Unaudited**

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns - Defined Benefit Pension Plan
Last Five Fiscal Years**

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment income*	6.27%	13.56%	-2.01%	1.45%	16.25%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Employer Contributions - Defined Benefit Pension Plan
Last Ten Fiscal Years**

	Schedule of Contributions - Pension									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,196,328	\$ 1,054,742	\$ 1,026,539	\$ 998,378	\$ 1,311,760	\$ 1,367,561	\$ 1,334,389	\$ 1,273,290	\$ 843,833	\$ 834,453
Contributions in relation to the actuarially determined contribution	1,196,328	1,054,742	1,026,539	998,378	1,311,760	1,367,561	1,334,389	1,273,290	843,833	834,453
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	13,489,831	14,057,983	14,982,909	15,744,000	15,947,000	15,895,000	15,782,000	15,875,000	15,672,000	15,265,000
Contributions as a percentage of covered payroll	8.87%	7.50%	6.85%	6.34%	8.23%	8.60%	8.46%	8.02%	5.38%	5.47%

Town of Windsor, Connecticut

Required Supplementary Information - unaudited
Schedule of Changes in Net Pension Liability (NPL) and Related Ratios - Defined Benefit Pension Plan
Last Five Fiscal Years
(in 000s)

Changes in Net Pension Liability	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 1,019	\$ 1,042	\$ 1,090	\$ 1,145	\$ 1,206
Interest on total pension liability	5,767	5,597	5,385	5,193	4,973
Effect of plan changes	(16)	(59)	-	-	-
Effect of economic/demographic gains or (losses)	(457)	(253)	20	(179)	(41)
Effect of assumption changes or inputs	1,098	1,058	1,007	-	-
Benefit payments	(3,799)	(3,623)	(3,481)	(3,211)	(3,112)
Net change in total pension liability	3,612	3,762	4,021	2,948	3,026
Total pension liability, beginning	80,386	76,624	72,603	69,655	66,629
Total pension liability, ending (a)	83,998	80,386	76,624	72,603	69,655
Fiduciary net position:					
Employer contributions	\$ 1,195	\$ 1,055	\$ 1,027	\$ 998	\$ 1,312
Member contributions	563	599	509	613	618
Investment income net of investment expenses	4,142	8,124	(1,271)	931	9,135
Benefit payments	(3,799)	(3,623)	(3,481)	(3,211)	(3,112)
Administrative expenses	(19)	(15)	(19)	(13)	(58)
Net change in plan fiduciary net position	2,082	6,140	(3,235)	(682)	7,895
Fiduciary net position, beginning	67,389	61,249	64,485	65,167	57,272
Fiduciary net position, ending (b)	69,471	67,389	61,249	64,485	65,167
Net pension liability, ending = (a) - (b)	\$ 14,527	\$ 12,997	\$ 15,375	\$ 8,118	\$ 4,488
Fiduciary net position as a % of total pension liability	82.71%	83.83%	79.93%	88.82%	93.56%
Covered payroll	\$ 13,489	\$ 14,057	\$ 14,983	\$ 15,744	\$ 15,947
Net pension liability as a % of covered payroll	107.70%	92.46%	102.62%	51.56%	28.14%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

**Schedule of Contributions - Connecticut Municipal Employees' Retirement System (CMERS)
 Required Supplementary Information - unaudited
 Last Four Fiscal Years**

Measurement Period Ended June 30,	2018	2017	2016	2015
Actuarially determined contribution	\$ 961,140	\$ 846,628	\$ 839,857	\$ 914,805
Contribution in relation to the actuarially determined contribution	961,140	846,628	839,857	914,805
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	<u>\$ 5,644,057</u>	<u>\$ 5,533,389</u>	<u>\$ 5,759,928</u>	<u>\$ 5,528,217</u>
Contributions as a percentage of covered payroll	17.03%	15.30%	14.58%	16.55%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

**Schedule of the Town's Proportionate Share of the Net Pension Liability -
Connecticut Municipal Employees' Retirement System (CMERS)
Required Supplementary Information - unaudited
Last Four Fiscal Years**

	2018	2017	2016	2015
Town's proportion of the net pension liability	0.000000%	0.000000%	0.000000%	0.000000%
Town's proportionate share of the net pension (asset) liability	\$ (2,671,406)	\$ (1,930,679)	\$ (3,332,712)	\$ (3,947,859)
Town's covered payroll	\$ 5,533,389	\$ 5,533,389	\$ 5,759,928	\$ 5,528,217
Town's proportionate share of the net pension liability as a percentage of its covered payroll	-48.28%	-34.89%	-57.86%	-71.41%
System fiduciary net position as a percentage of the total pension liability	91.68%	88.29%	92.72%	90.48%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

**Schedule of the Town's Proportionate Share of the Net Pension Liability -
Teachers' Retirement System
Required Supplementary Information - unaudited
Last Four Fiscal Years**

	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0%	0.0%	0.0%	0.0%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	\$ 100,735,001	\$ 106,276,198	\$ 81,836,695	\$ 75,641,625
Total	\$ 100,735,001	\$ 106,276,198	\$ 81,836,695	\$ 75,641,625
Town's covered payroll	\$ 31,929,411	\$ 30,775,321	\$ 30,419,140	\$ 29,228,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0%	0%	0%	0%
System fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Change in benefit terms	None
Changes of assumptions	During 2016, rates of inflation, real rate of return, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	20.4 years
Asset valuation method	4-year smoothed market

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

Required Supplementary Information - unaudited
 Schedule of Contributions - OPEB Plan
 Last Ten Fiscal Years

	Schedule of Contributions - OPEB Plan									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 5,250,156	\$ 4,883,931	\$ 6,762,112	\$ 6,299,617	\$ 7,831,000	\$ 7,258,000	\$ 7,681,000	\$ 7,118,000	\$ 7,185,000	\$ 6,389,000
Contributions in relation to the actuarially determined contribution	1,976,204	2,410,939	2,593,319	2,595,904	2,240,000	2,047,000	2,283,000	2,067,000	2,085,000	1,898,000
Contribution deficiency (excess)	\$ 3,273,952	\$ 2,472,992	\$ 4,168,793	\$ 3,703,713	\$ 5,591,000	\$ 5,211,000	\$ 5,398,000	\$ 5,051,000	\$ 5,100,000	\$ 4,491,000
Covered payroll	\$ 45,660,809	\$ 45,660,809	\$ 44,515,553	\$ 44,515,553	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	4.33%	5.28%	5.83%	5.83%	N/A	N/A	N/A	N/A	N/A	N/A

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Investment Returns - OPEB Plan
Last Two Fiscal Years**

	2018	2017
Annual money-weighted rate of return, net of investment income*	5.95%	10.39%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for those years for which information is available.

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of Changes in the Town's OPEB Liability and Related Ratios (in 1,000s)
Last Two Fiscal Years***

Changes in Net OPEB Liability	OPEB Plan	
	2018	2017
Total pension liability:		
Service cost	\$ 1,749	\$ 3,121
Interest	2,760	2,393
Differences between expected and actual experience	(28,317)	-
Changes in assumptions	(4,623)	(9,284)
Benefit payments, including refunds of member contributions	(1,476)	(1,961)
Net change in total OPEB liability	(29,907)	(5,731)
Total pension liability, beginning	76,074	81,805
Total OPEB liability, ending (a)	46,167	76,074
Fiduciary net position:		
Employer contributions	1,976	2,411
Member contributions	-	-
Investment (loss) income net of investment expenses	94	122
Benefit payments, including refunds of member contributions	(1,476)	(1,961)
Administrative expenses	(1)	(1)
Other	-	-
Net change in plan fiduciary net position	593	571
Fiduciary net position, beginning	1,337	766
Fiduciary net position, ending (b)	1,930	1,337
Net OPEB liability, ending = (a) - (b)	\$ 44,237	\$ 74,737
Fiduciary net position as a % of total OPEB liability	4.18%	1.76%
Covered payroll	\$ 45,661	\$ 45,661
Net OPEB liability as a % of covered payroll	96.88%	163.68%

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

Town of Windsor, Connecticut

**Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net OPEB Liability - Teachers Retiree Health Plan
Last Fiscal Year***

	2018
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	-
State's proportionate share of the net OPEB liability associated with the Town	<u>25,928,047</u>
Total	<u><u>25,928,047</u></u>
Town's covered payroll	31,929,412
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. As a result of the experience study for the five-year period ending June 30, 2015, the long-term rate of return was lowered from 4.50% to 4.25% to reflect the decrease in the rate of inflation. Similarly, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

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

Town of Windsor, Connecticut

Required Supplementary Information - Unaudited
Statement of Revenues, Expenditures and Changes in Budgetary Fund Balance - Budgetary Basis
Budget and Actual - General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 93,218,970	\$ 93,218,970	\$ 94,339,805	\$ 1,120,835
Licenses and permits	628,260	628,260	872,805	244,545
Fines, forfeitures and penalties	37,000	37,000	44,851	7,851
Other agencies	88,370	88,370	129,977	41,607
Intergovernmental	14,564,000	14,564,000	14,663,528	99,528
Revenues from use of assets	776,540	776,540	1,051,763	275,223
Charges for services	649,850	649,850	749,312	99,462
Total revenues	109,962,990	109,962,990	111,852,041	1,889,051
Expenditures:				
Current:				
General government	978,780	978,780	926,294	52,486
Safety service	10,162,620	10,162,620	9,727,724	434,896
Public works	6,046,010	5,972,980	5,626,368	346,612
Health services	479,600	479,600	472,361	7,239
Human services	906,430	906,430	890,431	15,999
Recreation and leisure services	1,491,640	1,151,550	1,149,939	1,611
Education	67,471,330	67,347,730	67,294,656	53,074
Town support for education	5,136,710	2,470,690	2,444,209	26,481
Library services	1,644,510	1,644,510	1,603,893	40,617
Development services	1,275,240	1,275,240	1,219,376	55,864
Information services	473,250	473,250	458,130	15,120
Administrative services	2,239,710	2,239,710	2,204,760	34,950
Community development	114,870	114,870	104,278	10,592
General services	12,516,820	6,558,660	6,542,958	15,702
Total expenditures	110,937,520	101,776,620	100,665,377	1,111,243
Revenues over (under) expenditures	(974,530)	8,186,370	11,186,664	3,000,294
Other financing sources (uses):				
Transfers in	74,530	74,530	586,902	512,372
Transfers out	-	(9,160,900)	(9,160,900)	-
Use of fund balance	-	(697,500)	(697,500)	-
Total other financing sources (uses)	74,530	(9,783,870)	(9,271,498)	512,372
Net change in budgetary fund balance	\$ (900,000)	\$ (1,597,500)	1,915,166	\$ 3,512,666
Budgetary fund balance, beginning			<u>21,892,324</u>	
Budgetary fund balance, ending			23,807,490	
Less:				
Inventory			(29,194)	
Prepaid expenses			(9,830)	
FY 19 appropriation of fund balance			<u>(900,000)</u>	
Unassigned fund balance, ending			22,868,466	
Unassigned, beginning			<u>20,330,482</u>	
Net change in unassigned fund balance			<u>\$ 2,537,984</u>	

See notes to required supplementary information.

Town of Windsor, Connecticut

Note to Required Supplementary Information (Unaudited)

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 service unit level, i.e., safety services, public works, etc.
- D. The original budget for expenditures, encumbrances and other financing uses was increased by approximately \$697,500 as a result of fund balance and revenue appropriations during the year ended June 30, 2018. 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	\$ 126,900,954	\$ 124,302,336
State teachers retirement and OPEB payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(12,853,734)	(12,853,734)
Reclassified to General Fund, as funds were previously reported as special revenue funds, and no longer meet the definition in accordance with GASB Statement No. 54.	(1,608,277)	(1,520,016)
Encumbrances:		
June 30, 2017	-	(529,688)
June 30, 2018	-	1,124,879
Balance, budgetary basis	\$ 112,438,943	\$ 110,523,777

- 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 (Unaudited)

Note 1. Budgets and Budgetary Accounting (Continued)

Special Revenue Funds: The Town includes special revenue funds within the adopted annual operating budget. 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 Fund: Legal authorization for expenditures of the capital projects fund 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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**Combining and Individual Fund
Financial Statements and Other 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: Accounts 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: Accounts 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, 2018

	Special Revenue		
	Educational Grant Programs	Cafeteria	Community Rehabilitation Program
Assets			
Cash and cash equivalents	\$ 1,796,654	\$ 209,860	\$ 324,611
Investments	-	-	113,044
Community rehabilitation loans, net	-	-	2,101,849
Accounts receivable	18,578	212,705	167,811
Prepays	-	-	-
Inventories	-	12,540	-
Total assets	\$ 1,815,232	\$ 435,105	\$ 2,707,315
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 172,782	\$ 398	\$ 1,364
Unearned revenue	1,089,566	-	-
Due to other funds	552,884	101,357	-
Total liabilities	1,815,232	101,755	1,364
Deferred inflows of resources:			
Unavailable revenue	-	-	167,811
Total deferred inflows of resources	-	-	167,811
Fund balances:			
Nonspendable	-	12,540	-
Restricted	-	320,810	2,101,849
Committed	-	-	-
Assigned	-	-	436,291
Total fund balances	-	333,350	2,538,140
Total liabilities and fund balances	\$ 1,815,232	\$ 435,105	\$ 2,707,315

J. Bartash Expendable Trust Fund	Special Revenue		Capital Project	Debt Service	Totals
	Treehouse Fund	Other Special Revenue Funds	Open Space	Debt Service Fund	
\$ 15,070	\$ 141,870	\$ 1,336,407	\$ 207,259	\$ 1,023,425	\$ 5,055,156
-	-	342,165	51,664	345,138	852,011
-	-	-	-	-	2,101,849
-	13,994	42,109	1,086,000	-	1,541,197
-	3,956	-	-	-	3,956
-	-	-	-	-	12,540
<u>\$ 15,070</u>	<u>\$ 159,820</u>	<u>\$ 1,720,681</u>	<u>\$ 1,344,923</u>	<u>\$ 1,368,563</u>	<u>\$ 9,566,709</u>

\$ -	\$ 4,912	\$ 5,866	\$ -	\$ 43,735	\$ 229,057
-	3,029	-	-	-	1,092,595
-	33,381	-	1,086,000	-	1,773,622
-	41,322	5,866	1,086,000	43,735	3,095,274
-	-	-	-	-	167,811
-	-	-	-	-	167,811

13,000	3,956	-	-	-	29,496
2,070	-	1,714,815	-	-	4,139,544
-	-	-	258,923	1,324,828	1,583,751
-	114,542	-	-	-	550,833
<u>15,070</u>	<u>118,498</u>	<u>1,714,815</u>	<u>258,923</u>	<u>1,324,828</u>	<u>6,303,624</u>
<u>\$ 15,070</u>	<u>\$ 159,820</u>	<u>\$ 1,720,681</u>	<u>\$ 1,344,923</u>	<u>\$ 1,368,563</u>	<u>\$ 9,566,709</u>

Town of Windsor, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2018

	Special Revenue		
	Educational Grant Programs	Cafeteria	Community Rehabilitation Program
Revenues:			
Intergovernmental	\$ 3,482,073	\$ 1,214,380	\$ -
Sale of food	-	851,079	-
Income from investments	-	-	8,130
Charges for services	-	-	2,804
Other	-	2,542	54,884
Total revenues	3,482,073	2,068,001	65,818
Expenditures:			
General government	-	-	7,900
Culture and recreation	-	-	-
Human services	-	-	-
Education	3,482,073	2,080,705	-
Public works	-	-	-
Public safety	-	-	-
Debt service	-	-	-
Capital outlay	-	-	-
Total expenditures	3,482,073	2,080,705	7,900
Revenues over (under) expenditures	-	(12,704)	57,918
Other financing sources (uses):			
Transfers in	-	-	-
Premium on bonds issued	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balances	-	(12,704)	57,918
Fund balances, beginning	-	346,054	2,480,222
Fund balances, ending	\$ -	\$ 333,350	\$ 2,538,140

J. Bartash Expendable Trust Fund	Special Revenue		Capital Projects	Debt Service	Totals
	Treehouse Fund	Other Special Revenue Funds	Open Space	Debt Service Fund	
\$ -	\$ -	\$ 702,816	\$ 1,086,000	\$ -	\$ 6,485,269
-	-	-	-	-	851,079
150	-	15,505	2,769	-	26,554
-	500,985	33,451	2,018	-	539,258
-	25	149,001	5,000	-	211,452
150	501,010	900,773	1,095,787	-	8,113,612
-	-	103,872	-	-	111,772
-	-	53,507	-	-	53,507
-	-	156,263	-	-	156,263
300	465,689	-	-	-	6,028,767
-	-	307,352	-	-	307,352
-	-	123,219	-	-	123,219
-	-	-	-	6,927,469	6,927,469
-	-	-	2,121,458	-	2,121,458
300	465,689	744,213	2,121,458	6,927,469	15,829,807
(150)	35,321	156,560	(1,025,671)	(6,927,469)	(7,716,195)
-	-	-	556,200	6,971,100	7,527,300
-	-	-	-	152,877	152,877
-	-	-	556,200	7,123,977	7,680,177
(150)	35,321	156,560	(469,471)	196,508	(36,018)
15,220	83,177	1,558,255	728,394	1,128,320	6,339,642
\$ 15,070	\$ 118,498	\$ 1,714,815	\$ 258,923	\$ 1,324,828	\$ 6,303,624

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Nonmajor Enterprise Funds

Nonmajor 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 three 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.

Resident Transfer Station – Accounts for the operations of the Resident Transfer Station on Huckleberry Road, adjacent to the Landfill. This facility is for residents who choose to bring their solid waste and recyclables to this site versus putting it at the curb for removal.

Town of Windsor, Connecticut

Combining Statement of Net Positions
 Nonmajor Enterprise Funds
 June 30, 2018

	Child Development	Adult Caring Connection	Resident Transfer Station	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 345,160	\$ 22,931	\$ 292,391	\$ 660,482
Investments	116,401	6,481	100,561	223,443
Customer receivable, net	15,131	49,760	9,756	74,647
Total current assets	476,692	79,172	402,708	958,572
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	8,000	4,127	-	12,127
Total assets	484,692	83,299	402,708	970,699
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	27,342	10,833	17,035	55,210
Unearned revenue	32,382	4,876	342	37,600
Total current liabilities	59,724	15,709	17,377	92,810
Noncurrent liabilities:				
Compensated absences	26,616	3,301	-	29,917
Total noncurrent liabilities	26,616	3,301	-	29,917
Total liabilities	86,340	19,010	17,377	122,727
Net position:				
Net investment in capital assets	8,000	4,127	-	12,127
Unrestricted	390,352	60,162	385,331	835,845
Total net position	\$ 398,352	\$ 64,289	\$ 385,331	\$ 847,972

Town of Windsor, Connecticut

Combining Statement of Revenues, Expenses and Changes in Fund Net Positions -
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2018

	Child Development	Adult Caring Connection	Resident Transfer Station	Total
Operating revenues:				
Charges for services	\$ 1,086,171	\$ 393,848	\$ 265,491	\$ 1,745,510
Operating expenses:				
Salaries and benefits	867,602	252,809	68,184	1,188,595
Depreciation	1,000	2,199	-	3,199
Administrative expenses	29,500	23,835	7,802	61,137
Repairs and maintenance	12,203	-	-	12,203
Fuel and utilities	14,676	3,831	15,744	34,251
Outside services	36,479	36,867	109,404	182,750
Rent expense	118,830	69,090	-	187,920
Total operating expenses	1,080,290	388,631	201,134	1,670,055
Operating income	5,881	5,217	64,357	75,455
Nonoperating revenues:				
Interest income	4,417	446	3,917	8,780
Intergovernmental revenue	-	18,971	-	18,971
Income before transfers	10,298	24,634	68,274	103,206
Transfers out	-	(73,630)	-	(73,630)
Change in net position	10,298	(48,996)	68,274	29,576
Net position, beginning of year	388,054	113,285	317,057	818,396
Net position, end of year	\$ 398,352	\$ 64,289	\$ 385,331	\$ 847,972

Town of Windsor, Connecticut

**Combining Statement of Cash Flows - Nonmajor Enterprise Funds
For the Year Ended June 30, 2018**

	Child Development	Adult Caring Connection	Resident Transfer Station	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,104,580	\$ 383,383	\$ 259,369	\$ 1,747,332
Payments to suppliers	(214,813)	(136,278)	(126,959)	(478,050)
Payments to employees	(868,153)	(255,767)	(67,691)	(1,191,611)
Net cash provided by (used in) operating activities	21,614	(8,662)	64,719	77,671
Cash flows from noncapital financing activities:				
Intergovernmental revenue	-	18,971	-	18,971
Transfers in	-	-	-	-
Transfers out	-	(73,630)	-	(73,630)
Net cash used in noncapital financing activities	-	(54,659)	-	(54,659)
Cash flows from investing activities:				
Interest received	4,417	446	3,917	8,780
Purchase/Sale of investments	(1,501)	17,956	(15,001)	1,454
Net cash provided by (used in) investing activities	2,916	18,402	(11,084)	10,234
Net increase (decrease) in cash and cash equivalents	24,530	(44,919)	53,635	33,246
Cash and cash equivalents:				
Beginning	320,630	67,850	238,756	627,236
Ending	\$ 345,160	\$ 22,931	\$ 292,391	\$ 660,482
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	\$ 5,881	\$ 5,217	\$ 64,357	\$ 75,455
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	1,000	2,199	-	3,199
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	4,558	(15,342)	(6,252)	(17,036)
(Decrease) increase in accounts payable and accrued liabilities	(3,676)	(5,612)	6,484	(2,804)
(Decrease) increase in unearned revenue	13,851	4,876	130	18,857
Net cash provided by (used in) operating activities	\$ 21,614	\$ (8,662)	\$ 64,719	\$ 77,671

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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, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Student activity funds:				
Assets:				
Cash and cash equivalents	\$ 246,113	\$ 622,239	\$ 614,105	\$ 254,247
Liabilities:				
Accounts payable	\$ 246,113	\$ 622,239	\$ 614,105	\$ 254,247
Adult education:				
Assets:				
Cash and cash equivalents	\$ 20,381	\$ 28,104	\$ 19,112	\$ 29,373
Liabilities:				
Accounts payable	\$ 20,381	\$ 28,104	\$ 19,112	\$ 29,373
Performance bonds:				
Assets:				
Cash and cash equivalents	\$ 420,387	\$ 567,730	\$ 162,032	\$ 826,085
Liabilities:				
Accounts payable	\$ 420,387	\$ 567,730	\$ 162,032	\$ 826,085
Town escrow:				
Assets:				
Cash and cash equivalents	\$ 43,324	\$ 97,658	\$ 63,994	\$ 76,988
Liabilities:				
Accounts payable	\$ 43,324	\$ 97,658	\$ 63,994	\$ 76,988
Scholarship funds:				
Assets:				
Cash and cash equivalents	\$ 75,620	\$ 1,244	\$ 300	\$ 76,564
Liabilities:				
Accounts payable	\$ 75,620	\$ 1,244	\$ 300	\$ 76,564
Total agency funds:				
Assets:				
Cash and cash equivalents	\$ 805,825	\$ 1,316,975	\$ 859,543	\$ 1,263,257
Liabilities:				
Accounts payable	\$ 805,825	\$ 1,316,975	\$ 859,543	\$ 1,263,257

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Capital Asset Schedule

Town of Windsor, Connecticut

**Capital Assets Used in the Operation of Governmental Funds - Net of Depreciation
June 30, 2018**

	Land	Buildings	Machinery and Equipment	Construction in Progress	Infrastructure	Totals
General government	\$ 2,894,519	\$ 2,250,615	\$ 2,060,118	\$ -	\$ -	\$ 7,205,252
Education	324,612	40,526,386	6,289,750	-	-	47,140,747
Culture and recreation	1,795,390	6,543,837	2,707,676	-	-	11,046,904
Human services	300,544	641,109	169,462	-	-	1,111,115
Public safety	312,078	7,123,941	3,868,596	-	-	11,304,615
Public works	1,407,141	2,941,534	1,080,468	5,484,477	19,760,898	30,674,518
Total	\$ 7,034,284	\$ 60,027,422	\$ 16,176,070	\$ 5,484,477	\$ 19,760,898	\$ 108,483,151

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Other Schedules

Town of Windsor, Connecticut

**Balance Sheet - By Account - General Fund
June 30, 2018**

	General Fund	Other Programs	Totals
Assets			
Cash and cash equivalents	\$ 24,317,119	\$ 1,296,759	\$ 25,613,878
Investments	8,195,174	565,324	8,760,498
Receivables (net of allowances for collection losses):			
Property taxes	1,122,036	-	1,122,036
Accounts receivable	271,040	45,782	316,822
Prepays	9,830	-	9,830
Due from other funds	1,452,894	1,086,000	2,538,894
Inventories	29,194	-	29,194
	<u>35,397,287</u>	<u>2,993,865</u>	<u>38,391,152</u>
Total assets	\$ 35,397,287	2,993,865	\$ 38,391,152
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,170,938	\$ 150,533	\$ 4,321,471
Total liabilities	<u>4,170,938</u>	<u>150,533</u>	<u>4,321,471</u>
Deferred inflows of resources:			
Advance tax collections	5,343,654	-	5,343,654
Unavailable resources	950,326	10,121	960,447
Total deferred inflows of resources	<u>6,293,980</u>	<u>10,121</u>	<u>6,304,101</u>
Fund balances:			
Nonspendable	39,024	-	39,024
Assigned	2,024,879	2,833,211	4,858,090
Unassigned	22,868,466	-	22,868,466
Total fund balances	<u>24,932,369</u>	<u>2,833,211</u>	<u>27,765,580</u>
Total liabilities, deferred inflows of recourses and fund balances	\$ 35,397,287	\$ 2,993,865	\$ 38,391,152

Town of Windsor, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2018

	General Fund	Other Programs	Eliminate Interfund Receivables	Totals
Revenues:				
Property taxes	\$ 94,339,805	\$ -	\$ -	\$ 94,339,805
State and Federal governments	27,626,039	-	-	27,626,039
Charges for services	2,098,394	1,579,723	-	3,678,117
Investment income	641,537	28,554	-	670,091
Total revenues	124,705,775	1,608,277	-	126,314,052
Expenditures:				
Current:				
Education	79,683,130	30,619	-	79,713,749
General government	12,940,793	31,925	-	12,972,718
Culture and recreation	2,825,282	1,309,843	-	4,135,125
Human services	1,372,792	114,887	-	1,487,679
Public safety	9,865,831	533,919	-	10,399,750
Public works	6,236,092	162,423	-	6,398,515
Total expenditures	112,923,920	2,183,616	-	115,107,536
Revenues over (under) expenditures	11,781,855	(575,339)	-	11,206,516
Other financing sources (uses):				
Transfers in	586,902	663,600	(663,600)	586,902
Transfers out	(9,858,400)	-	663,600	(9,194,800)
Net other financing sources (uses)	(9,271,498)	663,600	-	(8,607,898)
Net change in fund balances	2,510,357	88,261	-	2,598,618
Fund balances, beginning	22,422,012	2,744,950	-	25,166,962
Fund balances, ending	\$ 24,932,369	\$ 2,833,211	\$ -	\$ 27,765,580

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Town of Windsor, Connecticut

**Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2018**

Grand List Year	Balance Uncollected July 1, 2017	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2016	\$ -	\$ 94,158,943	\$ 215,086	\$ (408,024)	\$ -	\$ 93,966,005
2015	946,145	-	9,060	(25,895)	-	929,310
2014	402,995	-	659	(5,731)	(220,440)	177,483
2013	36,433	-	273	-	(276)	36,430
2012	21,137	-	254	-	(254)	21,137
2011	6,627	-	-	-	-	6,627
2010	5,115	-	-	-	-	5,115
2009	2,002	-	-	-	-	2,002
2008	2,225	-	-	-	-	2,225
2007	1,934	-	-	-	-	1,934
2006	1,589	-	-	-	-	1,589
2005	996	-	-	-	-	996
2004	877	-	-	-	-	877
2003	844	-	-	-	-	844
2002	736	-	-	-	-	736
	<u>\$ 1,429,655</u>	<u>\$ 94,158,943</u>	<u>\$ 225,332</u>	<u>\$ (439,650)</u>	<u>\$ (220,970)</u>	<u>\$ 95,153,310</u>

Less allowance for doubtful accounts

Suspense collections

Total collections

Collections					Balance Uncollected June 30, 2018
Taxes	Interest	Fees	Total		
\$ 93,054,026	\$ 273,693	\$ 880	\$ 93,328,599	\$	911,979
545,981	137,615	1,512	685,108		383,329
117,070	46,900	468	164,438		60,412
10,771	3,274	120	14,165		25,659
2,431	351	24	2,806		18,706
-	-	-	13,372		6,627
-	-	-	-		5,115
-	-	-	206		2,002
-	-	-	-		2,225
-	-	-	-		1,934
-	-	-	-		1,589
-	-	-	-		996
-	-	-	-		877
-	-	-	-		844
-	-	-	-		736
93,730,279	461,833	3,004	94,208,694		1,423,030
					641,416
					<u>\$ 781,614</u>
61,627	51,581	-	113,208		
<u>\$ 93,791,906</u>	<u>\$ 513,414</u>	<u>\$ 3,004</u>	<u>\$ 94,321,902</u>		

Town of Windsor, Connecticut

**Schedule of Changes in Bond Indebtedness
For the Year Ended June 30, 2018**

Description	Interest Rate (%)	Year	Maturity	Amount
Bonded debt:				
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
Public improvements refunding	3.0/5.0	2010	7/15/23	6,096,000
School refunding	3.0/5.0	2010	7/15/23	6,209,000
Public improvements	2.00	2012	5/1/24	4,490,000
Public improvements	1.25/2.0	2013	5/1/25	4,085,000
School general obligation bond	1.25/2.0	2013	5/1/25	950,000
Public improvements	2.0/3.0	2014	4/15/24	3,690,000
School general obligation bond	2.0/3.0	2014	4/15/24	1,330,000
Public improvements refunding	2.0/4.0	2014	8/15/22	3,355,000
School refunding	2.0/4.0	2014	8/15/22	915,000
Public improvements	2.0/2.5	2015	6/15/2027	3,165,000
School general obligation bond	2.0/2.5	2015	6/15/2027	2,205,000
Public improvements	2.00	2016	6/15/2028	3,755,000
School general obligation bond	2.00	2016	6/15/2028	530,000
Public improvements	2.0/4.0	2017	6/1/2037	4,260,000
School general obligation bond	2.0/4.0	2017	6/1/2037	1,685,000
Public improvements Refunding	2.0/4.0	2017	7/15/2023	5,657,000
School Refunding	2.0/4.0	2017	7/15/2023	3,568,000
Public improvements	2.0/5.0	2018	6/15/2033	3,135,000
School general obligation bond	2.0/5.0	2018	6/15/2033	3,630,000
Total				

Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
\$ 797,000	\$ -	\$ 797,000	\$ -
913,000	-	913,000	-
500,000	-	500,000	-
715,000	-	715,000	-
740,000	-	375,000	365,000
2,731,000	-	341,000	2,390,000
634,000	-	79,000	555,000
2,580,000	-	370,000	2,210,000
940,000	-	130,000	810,000
3,320,000	-	252,000	3,068,000
905,000	-	58,000	847,000
2,630,000	-	265,000	2,365,000
1,840,000	-	185,000	1,655,000
3,445,000	-	310,000	3,135,000
480,000	-	50,000	430,000
4,260,000	-	213,000	4,047,000
1,685,000	-	82,000	1,603,000
5,657,000	-	262,000	5,395,000
3,568,000	-	103,000	3,465,000
	3,135,000	-	3,135,000
	3,630,000	-	3,630,000
<u>\$ 38,340,000</u>	<u>\$ 6,765,000</u>	<u>\$ 6,000,000</u>	<u>\$ 39,105,000</u>

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Statistical Section - unaudited

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 Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)**

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
Net investment in capital assets	\$ 63,449,890	\$ 64,077,359	\$ 64,665,367	\$ 64,624,458
Restricted	1,635,090	1,733,293	3,130,557	3,089,246
Unrestricted	22,327,156	19,347,287	16,317,739	10,227,152
Total governmental activities net position	\$ 87,412,136	\$ 85,157,939	\$ 84,113,663	\$ 77,940,856
Business-type activities:				
Net investment in capital assets	\$ 185,621	\$ 176,810	\$ 185,613	\$ 210,947
Unrestricted	(7,053,081)	(7,294,876)	(6,924,285)	(6,207,178)
Total business-type activities net position	\$ (6,867,460)	\$ (7,118,066)	\$ (6,738,672)	\$ (5,996,231)
Primary government:				
Net investment in capital assets	\$ 63,635,511	\$ 64,254,169	\$ 64,850,980	\$ 64,835,405
Restricted	1,635,090	1,733,293	3,130,557	3,089,246
Unrestricted	15,274,075	12,052,411	9,393,454	4,019,974
Total primary government net position	\$ 80,544,676	\$ 78,039,873	\$ 77,374,991	\$ 71,944,625

*Restated due to GASB Statement No. 68 implementation.

**Restated due to MERS Plan restatement.

***Restated due to GASB Statement No. 75 implementation.

Fiscal Year					
2013	2014*	2015**	2016	2017***	2018
\$ 65,895,067	\$ 66,129,757	\$ 70,911,291	\$ 68,217,968	\$ 65,944,467	\$ 71,041,699
3,417,624	3,569,440	3,744,430	7,080,625	6,011,960	6,810,950
7,068,714	(1,528,250)	(781,806)	(4,071,905)	(32,968,032)	(30,249,220)
<u>\$ 76,381,405</u>	<u>\$ 68,170,947</u>	<u>\$ 73,873,915</u>	<u>\$ 71,226,688</u>	<u>\$ 38,988,395</u>	<u>\$ 47,603,429</u>
\$ 191,295	\$ 168,583	\$ 147,456	\$ 139,298	\$ 125,601	\$ 95,726
(5,735,536)	(6,546,422)	(7,830,016)	(8,862,652)	(9,126,161)	(8,912,912)
<u>\$ (5,544,241)</u>	<u>\$ (6,377,839)</u>	<u>\$ (7,682,560)</u>	<u>\$ (8,723,354)</u>	<u>\$ (9,000,560)</u>	<u>\$ (8,817,186)</u>
\$ 66,086,362	\$ 66,298,340	\$ 71,058,747	\$ 68,357,266	\$ 66,070,068	\$ 71,137,425
3,417,624	3,569,440	3,744,430	7,080,625	6,011,960	6,810,950
1,333,178	(8,074,672)	(8,611,822)	(12,934,557)	(42,094,193)	(39,162,132)
<u>\$ 70,837,164</u>	<u>\$ 61,793,108</u>	<u>\$ 66,191,355</u>	<u>\$ 62,503,334</u>	<u>\$ 29,987,835</u>	<u>\$ 38,786,243</u>

Town of Windsor, Connecticut

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)**

	Fiscal Year			
	2009	2010	2011	2012
Expenses:				
Governmental activities:				
General government	\$ 10,226,562	\$ 10,039,998	\$ 11,524,755	\$ 14,012,409
Culture & recreation	4,329,481	4,008,350	4,109,577	4,274,494
Human services	1,545,945	1,614,335	1,508,514	2,430,368
Public works	6,420,709	6,635,927	7,056,984	6,807,050
Education	75,436,627	77,319,195	77,130,965	79,446,961
Public safety	10,161,628	9,653,396	10,150,274	10,603,500
Interest expense	2,424,721	1,255,397	1,146,445	1,075,256
Total governmental activities expenses	110,545,673	110,526,598	112,627,514	118,650,038
Business-type activities:				
Landfill	1,542,767	3,112,891	2,322,740	1,821,531
Child development	1,234,799	1,233,772	1,295,539	1,303,193
Adult caring connection	662,319	567,145	542,844	513,605
Resident transfer station	-	-	-	-
Total business-type activities	3,439,885	4,913,808	4,161,123	3,638,329
Total primary government expenses	113,985,558	115,440,406	116,788,637	122,288,367
Program revenue:				
Governmental activities:				
Charges for services:				
General government	1,860,882	2,020,464	1,640,657	1,322,126
Culture & recreation	791,531	629,783	715,831	836,456
Human services	190,175	121,849	150,042	114,084
Public works	122,262	38,486	225,617	146,472
Education	1,685,284	1,625,059	1,446,583	1,509,314
Public safety	239,645	267,033	135,567	694,937
Operating grants and contributions:				
General government	584,945	192,777	374,059	506,112
Culture & recreation	469,411	357,582	238,632	36,281
Human services	83,513	86,126	136,100	948,437
Public works	50,620	21,880	221,571	206,719
Education	21,514,592	21,675,907	22,139,906	23,131,847
Public safety	280,373	171,307	169,971	130,439
Capital grants and contributions:				
General government	16,920	576,881	212,479	66,299
Public works	-	128,936	262,473	329,573
Education	172,744	679,628	-	-
Total governmental activities program revenue	28,062,897	28,593,698	28,069,488	29,979,096

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 12,509,058	\$ 12,404,563	\$ 13,781,510	\$ 14,169,618	\$ 15,847,191	\$ 13,095,473
4,334,836	4,241,754	4,361,987	4,707,146	4,691,078	4,797,542
1,722,063	1,540,362	1,766,951	1,972,768	1,975,787	2,045,940
6,989,982	7,181,146	7,451,758	7,282,125	7,470,759	7,350,211
80,084,866	83,699,815	82,801,054	85,834,050	92,216,846	88,865,183
11,087,007	11,443,091	11,300,247	11,516,901	10,902,168	11,958,905
989,601	1,081,963	1,150,460	790,090	817,380	904,819
117,717,413	121,592,694	122,613,967	126,272,698	133,921,209	129,018,073
1,593,477	2,203,146	1,602,390	1,505,063	618,870	91,148
1,276,546	1,240,443	1,188,261	1,052,599	1,101,946	1,080,290
494,153	505,725	494,255	487,210	444,144	388,631
-	-	117,647	145,921	177,151	201,134
3,364,176	3,949,314	3,402,553	3,190,793	2,342,111	1,761,203
121,081,589	125,542,008	126,016,520	129,463,491	136,263,320	130,779,276
2,426,776	2,342,563	1,492,815	1,488,200	1,840,678	1,242,023
826,727	1,001,011	1,353,217	1,375,165	1,822,448	1,399,222
149,199	101,367	122,366	122,016	136,157	167,603
154,782	227,409	774,638	164,682	179,225	188,287
1,424,881	1,300,935	1,324,733	1,368,739	1,428,836	1,449,506
528,477	1,025,507	845,582	522,184	612,130	621,813
662,643	103,481	122,252	167,257	280,513	5,000
64,936	35,568	35,524	38,316	36,210	40,813
440,029	144,508	217,837	198,672	124,629	90,366
205,209	406,698	407,134	407,465	406,033	404,907
23,071,655	25,296,510	25,687,542	25,846,211	30,571,750	30,507,921
107,447	89,448	18,875	77,300	69,463	161,730
58,423	-	-	-	-	1,086,000
250,847	1,691,839	1,153,113	446,223	2,447,040	3,002,468
-	-	-	-	-	-
30,372,031	33,766,844	33,555,628	32,222,430	39,955,112	40,367,659

(Continued)

Town of Windsor, Connecticut

**Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)**

	Fiscal Year			
	2009	2010	2011	2012
Business-type activities:				
Charges for services:				
Landfill	\$ 2,064,217	\$ 2,544,966	\$ 2,595,208	\$ 2,521,914
Child development	1,242,989	1,236,607	1,324,437	1,254,844
Adult caring connection	744,902	743,707	635,673	623,817
Resident transfer station	-	-	-	-
Operating grants and contributions:				
Landfill	-	-	-	-
Adult caring connection	-	-	-	-
Total business-type activities				
 program revenues	4,052,108	4,525,280	4,555,318	4,400,575
Total primary government program revenues	32,115,005	33,118,978	32,624,806	34,379,671
Net (expense) revenue:				
Governmental activities	(82,482,776)	(81,932,900)	(84,558,026)	(88,670,942)
Business-type activities	612,223	(388,528)	394,195	762,246
Total primary government net expense	(81,870,553)	(82,321,428)	(84,163,831)	(87,908,696)
General revenues and other changes in net positions:				
Governmental activities:				
Property taxes	76,625,138	75,411,646	78,391,639	79,945,496
Grants and contributions not restricted to specific programs	2,710,019	2,572,815	1,997,469	1,886,647
Unrestricted investment earnings	974,090	271,212	290,418	331,148
Miscellaneous	431,184	1,280,440	2,278,004	194,859
Insurance recovery	-	-	413,000	-
Transfers	90,000	142,590	143,220	139,985
Total governmental activities	80,830,431	79,678,703	83,513,750	82,498,135
Business-type activities:				
Unrestricted investment earnings	537,378	280,512	128,419	120,180
Transfers	(90,000)	(142,590)	(143,220)	(139,985)
Total business-type activities	447,378	137,922	(14,801)	(19,805)
Total primary government	81,277,809	79,816,625	83,498,949	82,478,330
Extraordinary				
State Teachers' on-behalf payments	(16,366,000)	-	-	-
State Teachers' on-behalf revenue	16,366,000	-	-	-
	-	-	-	-
Changes in net positions:				
Governmental activities	(1,652,345)	(2,254,197)	(1,044,276)	(6,172,807)
Business-type activities	1,059,601	(250,606)	379,394	742,441
Total primary government	\$ (592,744)	\$ (2,504,803)	\$ (664,882)	\$ (5,430,366)

		Fiscal Year									
		2013	2014	2015	2016	2017	2018				
\$	2,031,394	\$	1,515,475	\$	4,021	\$	16,009	\$	20,001	\$	-
	1,282,770		1,135,806		1,160,654		1,089,127		1,094,802		1,086,171
	529,323		457,350		389,514		450,090		385,543		393,848
	-		-		262,247		254,880		239,210		265,491
	-		-		160,704		174,673		209,629		-
	-		-		-		-		-		18,971
	3,843,487		3,108,631		1,977,140		1,984,779		1,949,185		1,764,481
	34,215,518		36,875,475		35,532,768		34,207,209		41,904,297		42,132,140
	(87,345,382)		(87,825,850)		(89,058,339)		(94,050,268)		(93,966,097)		(88,650,414)
	479,311		(840,683)		(1,425,413)		(1,206,014)		(392,926)		3,278
	(86,866,071)		(88,666,533)		(90,483,752)		(95,256,282)		(94,359,023)		(88,647,136)
	81,938,005		83,295,005		87,108,437		89,289,617		93,461,020		94,276,054
	1,797,584		1,770,956		1,803,815		1,776,947		2,337,418		1,814,571
	169,312		158,936		154,803		200,456		332,887		774,855
	-		253,291		220,812		205,087		471,937		326,338
	1,735,880		-		-		-		-		-
	145,150		105,510		(26,960)		(69,066)		(36,748)		73,630
	85,785,931		85,583,698		89,260,907		91,403,041		96,566,514		97,265,448
	117,829		112,595		93,732		96,154		121,972		253,726
	(145,150)		(105,510)		26,960		69,066		36,748		(73,630)
	(27,321)		7,085		120,692		165,220		158,720		180,096
	85,758,610		85,590,783		89,381,599		91,568,261		96,725,234		97,445,544
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	(1,559,451)		(2,242,152)		202,568		(2,647,227)		2,600,417		8,615,034
	451,990		(833,598)		(1,304,721)		(1,040,794)		(277,206)		183,374
\$	(1,107,461)	\$	(3,075,750)	\$	(1,102,153)	\$	(3,688,021)	\$	2,323,211	\$	8,798,408

Town of Windsor, Connecticut

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

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
General government	\$ 2,462,747	\$ 2,790,122	\$ 2,227,195	\$ 1,894,537
Culture & recreation	1,260,942	987,365	954,463	872,737
Human services	273,688	207,975	286,142	1,062,521
Public works	345,626	189,302	709,661	682,764
Education	23,199,876	23,980,594	23,586,489	24,641,161
Public safety	520,018	438,340	305,538	825,376
Total governmental activities	28,062,897	28,593,698	28,069,488	29,979,096
Business-type activities:				
Landfill	2,064,217	2,544,966	2,595,208	2,521,914
Child development	1,242,989	1,236,607	1,324,437	1,254,844
Adult caring connection	744,902	743,707	635,673	623,817
Resident transfer station	-	-	-	-
Total business-type activities	4,052,108	4,525,280	4,555,318	4,400,575
Total government	\$ 32,115,005	\$ 33,118,978	\$ 32,624,806	\$ 34,379,671

Fiscal Year

	2013	2014	2015	2016	2017	2018
\$	3,147,842	\$ 2,446,044	\$ 1,615,067	\$ 1,655,457	\$ 2,121,191	\$ 2,333,023
	891,663	1,036,579	1,388,741	1,413,481	1,858,658	1,440,035
	589,228	245,875	340,203	320,688	260,786	257,969
	610,838	2,325,946	2,334,885	1,018,370	3,032,298	3,595,662
	24,496,536	26,597,445	27,012,275	27,214,950	32,000,586	31,957,427
	635,924	1,114,955	864,457	599,484	681,593	783,543
	30,372,031	33,766,844	33,555,628	32,222,430	39,955,112	40,367,659
	2,031,394	1,515,475	164,725	190,682	229,630	-
	1,282,770	1,135,806	1,160,654	1,089,127	1,094,802	1,086,171
	529,323	457,350	389,514	450,090	385,543	412,819
	-	-	262,247	254,880	239,210	265,491
	3,843,487	3,108,631	1,977,140	1,984,779	1,949,185	1,764,481
\$	34,215,518	\$ 36,875,475	\$ 35,532,768	\$ 34,207,209	\$ 41,904,297	\$ 42,132,140

Town of Windsor, Connecticut

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

	Fiscal Year			
	2009	2010	2011	2012
General Fund:				
Nonspendable	\$ -	\$ -	\$ 35,544	\$ 48,934
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	3,395,259	3,238,973
Unassigned	-	-	14,938,155	15,316,230
Reserved/designated	1,728,469	1,278,080	-	-
Unreserved	13,540,188	14,279,843	-	-
Total General Fund	\$ 15,268,657	\$ 15,557,923	\$ 18,368,958	\$ 18,604,137
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ 21,305	\$ 21,243
Restricted	-	-	5,870,907	6,678,693
Committed	-	-	3,614,944	3,683,551
Assigned	-	-	1,537,355	1,044,687
Unassigned	-	-	(6,370)	-
Reserved	2,638,450	7,846,160	-	-
Unreserved, reported in:				
Special revenue funds	3,648,238	4,220,432	-	-
Debt service funds	326,750	668,453	-	-
Capital projects funds	4,296,255	1,010,734	-	-
Total all other government funds	\$ 10,909,693	\$ 13,745,779	\$ 11,038,141	\$ 11,428,174

* The Town implemented GASB Statement No. 54 in Fiscal Year 2011.

Fiscal Year

	2013	2014	2015	2016	2017	2018
\$	42,679	\$ 46,154	\$ 31,213	\$ 21,599	\$ 661,842	\$ 39,024
	-	-	-	-	-	-
	-	-	-	-	-	-
	3,939,957	3,795,689	4,621,032	4,727,980	4,174,638	4,858,090
	16,928,714	17,347,987	18,974,637	19,642,852	20,330,482	22,868,466
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	20,911,350	\$ 21,189,830	\$ 23,626,882	\$ 24,392,431	\$ 25,166,962	\$ 27,765,580
\$	22,540	\$ 16,642	\$ 22,215	\$ 22,102	\$ 32,940	\$ 29,496
	9,485,602	7,270,412	7,609,527	5,908,543	4,706,391	6,520,344
	2,755,322	6,467,975	6,834,753	5,780,688	10,667,502	10,683,213
	1,193,709	733,674	988,230	1,305,355	1,082,407	1,548,452
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	13,457,173	\$ 14,488,703	\$ 15,454,725	\$ 13,016,688	\$ 16,489,240	\$ 18,781,505

Town of Windsor, Connecticut

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues:				
Property taxes	\$ 76,562,176	\$ 75,182,401	\$ 78,440,338	\$ 79,806,333
Intergovernmental	26,222,871	26,801,211	25,995,554	28,686,687
Charges for services	4,861,097	4,702,674	5,003,747	4,623,388
Investment income	974,090	271,212	290,418	194,860
Other	431,184	1,233,260	286,661	206,442
Total revenues	109,051,418	108,190,758	110,016,718	113,517,710
Expenditures:				
Education	68,513,854	70,143,336	70,279,262	73,153,239
General government	10,246,729	10,573,779	11,622,565	11,195,751
Culture & recreation	3,709,140	3,584,459	3,696,330	3,806,551
Human services	1,515,876	1,451,375	1,518,488	2,302,111
Public safety	8,799,842	8,730,084	9,436,083	9,404,783
Public works	5,820,515	5,622,128	6,064,157	5,587,772
Capital outlay	4,729,743	4,310,522	5,997,630	6,244,402
Debt service:				
Principal	4,363,000	4,500,000	4,735,000	4,505,000
Interest	1,908,961	1,359,963	1,285,144	1,420,093
Total expenditures	109,607,660	110,275,646	114,634,659	117,619,702
Excess of revenues over (under) expenditures	(556,242)	(2,084,888)	(4,617,941)	(4,101,992)
Other financing sources (uses):				
Transfers in	9,435,672	6,859,290	6,508,008	8,141,148
Transfers out	(9,345,672)	(6,716,700)	(6,364,788)	(8,001,163)
Issuance of long-term debt	18,625,000	4,680,000	4,490,000	4,490,000
Proceeds of refunding bonds	776,854	12,305,000	-	-
Payment to refunded bond escrow agent	(19,205,032)	(13,442,569)	-	-
Premium on long-term debt	-	1,525,219	88,118	97,219
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	286,822	5,210,240	4,721,338	4,727,204
Net changes in fund balance	\$ (269,420)	\$ 3,125,352	\$ 103,397	\$ 625,212
Debt service as a percentage of noncapital expenditures	6.0%	5.9%	5.6%	5.2%

Fiscal Year

	2013	2014	2015	2016	2017	2018
\$	82,159,015	\$ 82,937,213	\$ 87,600,034	\$ 89,012,808	\$ 93,636,439	\$ 94,339,805
	26,822,777	29,594,262	29,500,467	28,777,471	36,453,976	37,113,776
	5,721,974	5,998,792	5,913,351	5,040,986	6,019,474	5,068,454
	169,312	158,936	154,803	200,456	332,887	774,855
	72,768	347,997	283,220	214,172	260,590	367,186
	114,945,846	119,037,200	123,451,875	123,245,893	136,703,366	137,664,076
	73,118,294	76,288,375	78,222,280	79,577,619	86,836,134	85,742,516
	11,967,491	11,841,838	11,938,793	12,582,285	13,192,229	13,084,490
	3,821,475	3,832,003	3,846,283	4,134,822	4,076,044	4,188,632
	1,546,568	1,498,358	1,535,992	1,523,607	1,541,591	1,643,942
	9,616,596	10,469,289	10,253,191	10,340,556	10,379,319	10,522,969
	5,771,330	5,996,003	6,151,695	6,178,277	6,429,054	6,705,867
	6,085,860	6,991,841	7,307,067	8,241,327	9,224,113	10,948,815
	4,365,000	4,750,000	4,995,000	5,530,000	5,850,000	6,000,000
	1,361,409	1,385,301	1,206,403	1,142,435	1,134,205	927,469
	117,654,023	123,053,008	125,456,704	129,250,928	138,662,689	139,764,700
	(2,708,177)	(4,015,808)	(2,004,829)	(6,005,035)	(1,959,323)	(2,100,624)
	6,364,650	6,929,510	7,926,800	7,646,638	10,352,150	9,781,702
	(6,219,500)	(6,824,000)	(7,953,760)	(7,715,704)	(10,388,898)	(9,708,072)
	5,035,000	5,020,000	5,370,000	4,285,000	5,945,000	6,765,000
	-	4,270,000	-	-	-	-
	-	(4,600,334)	-	-	-	-
	128,359	530,642	64,863	116,613	(9,633,360)	152,877
	1,735,880	-	-	-	-	-
	7,044,389	5,325,818	5,407,903	4,332,547	(3,725,108)	6,991,507
\$	4,336,212	\$ 1,310,010	\$ 3,403,074	\$ (1,672,488)	\$ (5,684,431)	\$ 4,890,883
	5.2%	5.3%	5.2%	5.5%	5.3%	5.4%

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
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
2012	61,459,196	11,409,830	5,353,090	78,222,116
2013	62,467,035	12,246,223	5,627,680	80,340,938
2014	64,661,632	11,720,164	5,345,650	81,727,446
2015	64,835,051	14,418,008	6,266,457	85,519,516
2016	67,686,725	13,706,777	6,314,630	87,708,131
2017	70,940,965	14,487,277	6,657,446	92,085,688
2018	72,101,101	14,064,832	6,888,092	93,054,025

Source: Town records - current year.

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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
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	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
2012	1,630,202,820	504,790,600	388,136,560	9,985,920	498,401,457	187,173,933
2013	1,634,824,857	504,285,011	362,162,276	23,019,689	512,131,547	202,124,650
2014	1,637,936,539	500,883,081	375,632,698	23,413,950	496,967,702	196,802,690
2015*	1,419,837,126	452,415,067	375,679,055	32,198,250	531,939,149	202,874,570
2016	1,424,582,090	451,846,099	410,440,810	30,489,060	496,016,198	202,210,460
2017	1,429,372,610	449,194,709	374,516,590	31,472,210	524,882,407	203,017,855
2018	1,433,624,850	458,148,304	376,333,440	29,790,600	507,677,471	209,047,000

Source: Town Assessor's Records

* Revaluation years

(1) Tax rate of 32.45 mills for FY18 was for real estate and personal property only. The motor vehicle tax rate was capped at 32 mills pursuant to state statute.

Total Gross Taxable Assessed Value	Percent Growth	Total Direct Tax Rate (1)	Net Actual Taxable Assessed Value	Assessed Value as a Percentage of Actual Value	Estimated Actual Value
2,693,018,674	9.67%	29.30	2,590,539,164	54.00%	4,797,294,748
3,176,696,775	17.96%	28.34	2,923,858,605	70.00%	4,176,940,864
3,183,994,519	0.23%	28.38	2,937,138,218	65.33%	4,495,849,101
3,218,691,290	1.09%	28.03	2,976,694,924	71.01%	4,191,937,648
3,238,548,030	0.62%	27.95	2,976,438,194	72.03%	4,132,220,178
3,231,636,660	-0.21%	27.33	3,014,279,336	72.94%	4,132,546,389
3,014,943,217	-6.71%	30.47	2,831,162,216	70.00%	4,044,517,451
3,015,584,717	0.02%	30.92	2,849,933,303	70.00%	4,071,333,290
3,012,456,381	-0.10%	31.52	2,924,298,305	70.00%	4,177,569,007
3,014,621,665	0.07%	32.45	2,886,735,756	70.00%	4,123,908,223

Town of Windsor, Connecticut

**Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)**

Taxpayer	2018 (Grand List 10-1-16)			Taxpayer	2009 (Grand List 10-1-07)		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Griffin Land & Affiliates	\$ 75,569,410	1	2.62%	Walgreens	\$ 113,459,740	1	4.38%
Walgreens Eastern	75,457,735	2	2.61%	Griffin Land & Affiliates	50,310,970	2	1.94%
CIGNA	58,051,391	3	2.01%	IBM & Affiliates	41,733,079	3	1.61%
Voya	55,780,998	4	1.93%	CIGNA	38,418,037	4	1.48%
Hartford Financial Corp.	49,505,015	5	1.71%	Northeast Utilities	38,021,937	5	1.47%
Cellco/Verizon Wireless	47,253,848	6	1.64%	Ferraina & Affiliates	32,481,104	6	1.25%
Northeast Utilities	44,292,658	7	1.53%	Advo, Inc.	24,714,933	7	0.95%
Deka Immobilien Investment (Amazor)	42,077,036	8	1.46%	ABB Combustion	20,750,086	8	0.80%
Dollar Tree Inc.	41,830,155	9	1.45%	Aetna Life Insurance	20,479,767	9	0.79%
IBM & Affiliates	34,898,017	10	1.21%	Windsor Marriot	19,903,213	10	0.77%
Total	\$ 524,716,263		18.18%		\$ 400,272,866		15.44%

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
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	98.60
2012	2010	79,201,382	78,222,116	98.76
2013	2011	81,403,784	80,340,938	98.69
2014	2012	82,919,994	81,727,446	98.56
2015	2013	86,548,952	85,519,516	98.81
2016	2014	88,799,152	87,708,131	98.77
2017	2015	93,031,833	92,085,688	98.98
2018	2016	92,910,265	92,179,440	99.21

Source: Town Tax Records

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 795,628	\$ 76,271,533	99.86
964,735	74,912,065	99.90
1,082,044	77,738,019	99.99
844,524	79,066,640	99.83
906,711	81,247,649	99.81
972,539	82,699,985	99.73
577,682	86,097,198	99.48
677,375	88,385,506	99.53
545,981	92,631,669	99.57
-	92,179,440	99.21

Town of Windsor, Connecticut

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

Fiscal Year	Governmental Activities			Percentage of Assessed 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				
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
2012	38,470,000	-	38,470,000	1.37%	1,323	N/A	N/A
2013	39,140,000	-	39,140,000	1.35%	1,344	N/A	N/A
2014	39,390,000	-	39,390,000	1.31%	1,352	N/A	N/A
2015	39,765,000	-	39,765,000	1.40%	1,366	N/A	N/A
2016	39,048,733	-	39,048,733	1.37%	1,341	N/A	N/A
2017	39,305,551 ⁽¹⁾	-	39,305,551 ⁽¹⁾	1.34%	1,351	N/A	N/A
2018	40,089,051 ⁽¹⁾	-	40,089,051 ⁽¹⁾	1.39%	1,381	N/A	N/A

Source: Town Records

N/A - Not Available.

⁽¹⁾ Presented inclusive of original issuance discounts and premiums. See Note 7, Long-Term Liabilities.

Town of Windsor, Connecticut

**Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2018
(unaudited)**

Governmental Unit	Debt Outstanding	Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Overlapping Debt			
Metropolitan District Commission	\$ 972,975,816	8.89%	\$ 86,497,550
Town Direct Debt	\$ 40,089,051 ⁽¹⁾	100.00%	<u>40,089,051</u>
Total direct and overlapping debt			<u><u>\$ 126,586,601</u></u>

⁽¹⁾ Presented inclusive of original issuance discounts and premiums. See Note 7, Long-Term Liabilities.

Source: Metropolitan District Commission

Note: Metropolitan District Commission overlapping debt for each member town is divided among the member towns in proportion to the total revenue each received from property taxation, as averaged over the prior three years. Town of Windsor reports overlapping debt on a net basis.

Town of Windsor, Connecticut

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

	Fiscal Year			
	2009	2010	2011	2012
Debt Limit	\$ 536,255,608	\$ 526,352,659	\$ 548,417,030	\$ 558,620,279
Total Net Debt Applicable to Limit	42,111,696	38,999,068	41,172,198	41,436,366
Legal Debt Margin	\$ 494,143,912	\$ 487,353,591	\$ 507,244,832	\$ 517,183,913
Total net debt applicable to the limit as a percentage of debt limit	7.85%	7.41%	7.51%	7.42%

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 575,584,195	\$ 580,123,306	\$ 613,508,525	\$ 646,418,598	\$ 691,537,658	\$ 697,564,665
42,990,371	40,910,625	40,405,000	39,360,000	38,340,000	39,105,000
\$ 532,593,824	\$ 539,212,681	\$ 573,103,525	\$ 607,058,598	\$ 653,197,658	\$ 658,459,665
7.47%	7.05%	6.59%	6.09%	5.54%	5.61%

Town of Windsor, Connecticut

**Schedule of Debt Limitation
June 30, 2018
(unaudited)**

Total tax collections (including interest and lien fees) for the year ended June 30, 2018					\$ 99,652,095
Reimbursement for revenue loss Tax relief for elderly					-
Base					<u>\$ 99,652,095</u>
Debt Limit					<u>\$ 697,564,665</u>
	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
Debt Limitation					
2-1/4 times base	\$ 224,217,214	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	448,434,428	-	-	-
3-3/4 times base	-	-	373,695,356	-	-
3-1/4 times base	-	-	-	323,869,309	-
3 times base	-	-	-	-	298,956,285
Total debt limitation	<u>224,217,214</u>	<u>448,434,428</u>	<u>373,695,356</u>	<u>323,869,309</u>	<u>298,956,285</u>
Debt as defined by statute					
Bonds payable	26,110,000	12,995,000	-	-	-
Bond anticipation notes payable	-	-	-	-	-
School construction grants	-	-	-	-	-
Bonds authorized but not issued	-	-	-	-	-
Total indebtedness	<u>26,110,000</u>	<u>12,995,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 198,107,214</u>	<u>\$ 435,439,428</u>	<u>\$ 373,695,356</u>	<u>\$ 323,869,309</u>	<u>\$ 298,956,285</u>

Town of Windsor, Connecticut

**Calculation of Direct Debt and Current Debt Ratios
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	Population	Governmental Activities					Total Overall Debt (1) (3)	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 Total Debt to Net Taxable G/L
		General Obligation Bonds	Notes	Total Direct Debt	State Grants Receivable	Net Direct Debt								
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%
2012	29,067	38,470,000	800,000	39,270,000	273,634	38,996,366	76,030,342	1,351	1,342	2,616	2,811,979,697	1.40%	1.39%	2.70%
2013	29,119	39,140,000	1,670,000	40,810,000	109,629	40,700,371	89,336,924	1,401	1,398	3,068	2,907,640,693	1.40%	1.40%	3.07%
2014	29,140	39,390,000	-	39,390,000	54,375	39,335,625	95,305,326	1,352	1,350	3,271	3,013,897,453	1.31%	1.31%	3.16%
2015	29,454	39,765,000	420,000	40,185,000	-	40,185,000	91,995,896	1,364	1,364	3,123	2,831,162,216	1.42%	1.42%	3.25%
2016	29,016	38,520,000	-	38,520,000	-	38,520,000	118,412,703	1,328	1,328	4,081	2,849,933,303	1.35%	1.35%	4.15%
2017	29,095	38,340,000	-	38,340,000	-	38,340,000	121,668,020	1,318	1,318	4,182	2,924,298,305	1.31%	1.31%	4.16%
2018	29,034	39,105,000	-	39,105,000	-	39,105,000	125,602,550	1,347	1,347	4,326	2,886,735,756	1.35%	1.35%	4.35%

(1) Includes net overlapping Debt and Underlying Debt related to the Metropolitan District Commission.

(2) Gross taxable Grand List for FY 18 is \$3,091,175,139.

(3) Unamortized premium for 6/30/17 is \$984,051.

Note: Data is presented in accordance with the Town's continuing disclosure agreement.

Town of Windsor, Connecticut

**Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)**

Fiscal Year Ended June 30	Population (1)	Personal Income (thousands of dollars)	Per Capita Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2009	28,977	8.39	36,124	41.7	3,966	8.0%
2010	29,014	6.56	36,595	43.1	3,759	8.5%
2011	29,014	3.81	34,899	41.9	3,627	8.7%
2012	29,067	3.23	33,487	42.2	3,504	8.3%
2013	29,119	3.05	N/A	N/A	3,370	8.1%
2014	29,140	3.05	35,594	42.3	3,252	6.5%
2015	29,454	2.71	35,857	42.3	3,145	5.1%
2016	29,016	2.29	36,048	42.2	3,203	5.7%
2017	28,875	2.10	36,322	42.7	3,255	5.2%
2018	28,898	1.91	37,228	42.9	3,233	4.0%

(1) U.S. Census Bureau (available every 10 years, 2010 being the most recent) and State of Connecticut Department of Public Health.

(2) American Community fact finder 3 year estimates.

(3) American Community fact finder 3 year estimates.

(4) Windsor Public Schools Records.

(5) Connecticut Department of Labor.

N/A - Not Available.

Town of Windsor, Connecticut

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

Employer	2018			Employer	2009		
	Employees	Rank	Percentage of Total Town Employment		Employees	Rank	Percentage of Total Town Employment
Hartford Life	2,200	1	7.58%	ING (Voya)	1,850	1	7.82%
VOYA	1,720	2	5.92%	Hartford Life	1,400	2	5.92%
CIGNA	1,000	3	3.44%	Alstom Power Systems	1,350	3	5.71%
Town of Windsor	848	4	2.92%	Town of Windsor	864	4	3.65%
GE (Alstom)	800	5	2.76%	Northeast Utilities	600	5	2.54%
Amazon.com	800	6	2.76%	Konica Minolta	450	6	1.90%
Walgreens Co.	710	7	2.45%	Permasteelisa	400	7	1.69%
Eversource	600	8	2.07%	Cigna	400	8	1.69%
Konica Minolta	550	9	1.89%	Westinghouse Electric Company	380	9	1.61%
Waste Management	500	10	1.77%	Valassis	350	10	1.48%

Sources: Town Records

Town of Windsor, Connecticut

**Full-Time Equivalent Town Government Employees By Functions/Programs
Last Ten Fiscal Years
(unaudited)**

	Full-Time Equivalent Employees as of June 30				
	2009	2010	2011	2012	2013
Police					
Administration	6.00	6.00	6.00	6.00	6.00
Support Services	12.00	10.00	7.50	9.00	9.00
Uniformed Patrol	45.30	47.60	48.60	40.00	39.00
Communications	N/A	N/A	N/A	7.60	7.60
Animal Control	1.00	1.00	1.00	1.00	1.10
Fire					
Fire and Rescue Services	1.00	1.00	1.00	1.00	1.00
Parks and Recreation					
Recreation	16.70	15.48	15.40	15.18	15.41
Youth Services Bureau	2.23	2.46	3.26	3.63	3.82
Northwest Park Education/Recreation	5.20	5.75	5.94	5.13	5.80
Northwest Park Facility/Property Mgt.	2.00	2.23	2.40	2.38	2.29
Human Services					
Senior Services	7.02	2.79	2.81	2.81	2.80
Transportation	N/A	6.24	5.95	6.00	5.80
Healthy People Program	N/A	N/A	N/A	N/A	N/A
Social Services	6.84	6.19	5.78	5.96	6.14
Health Services					
Inspection and Regulation	2.89	2.90	2.51	1.97	2.85
Disease Prevention and Control	1.47	1.48	1.38	1.34	1.48
Clinic Services	0.62	0.62	0.61	0.64	0.67
Emergency Management	0.00	0.00	0.00	0.00	0.00
Library Services					
Adult and Teen Services	11.17	10.84	10.94	10.79	10.64
Main Library	0.60	0.60	0.79	0.79	0.79
Children's Services	3.75	3.75	3.95	3.95	3.95
Wilson Services	3.45	3.23	3.23	3.23	3.23
Development Services					
Building Safety	6.25	6.13	6.47	6.09	6.00
Economic Development	1.00	1.16	1.11	1.09	1.04
Planning	4.00	4.00	4.00	4.00	3.70
Design Services	5.90	5.85	5.73	5.85	5.56
Public Works					
Administration	N/A	N/A	N/A	N/A	N/A
Design Services	N/A	N/A	N/A	N/A	N/A
Parks and Grounds	12.75	13.00	12.90	12.03	13.20
Facilities Management	4.30	3.30	3.35	3.35	3.60
Pavement	8.10	8.00	8.00	8.00	8.00
Stormwater Drainage	3.00	3.00	3.00	3.00	3.00
Traffic Safety and Community Support	7.00	7.00	7.00	6.58	7.00
Equipment Repair	3.40	3.40	2.84	3.40	3.40
Information Services					
Town Clerk	3.20	3.20	3.20	3.10	3.10
Public Relations	1.00	1.00	1.00	1.00	1.00
Administrative Services					
Financial Accounting and Reporting	6.75	7.40	7.03	7.03	6.67
Human Resources	3.00	3.00	3.07	3.00	3.00
Information Technology	3.00	3.00	3.00	3.00	3.00
Risk Management	1.00	1.00	1.00	1.00	1.00
Property Valuation	3.00	2.00	2.00	2.00	2.48
Tax Collection	2.54	2.54	2.62	2.80	2.79
General Government					
Town Manager	3.40	3.40	3.40	3.40	3.40
Town Treasurer	0.25	0.25	0.25	0.21	0.21
Total General Fund - Town	212.08	211.79	210.02	208.33	210.52
Board of Education	617.00	612.40	605.80	611.10	616.80
Total General Fund - Town	829.08	824.19	815.82	819.43	827.32

Full-Time Equivalent Employees as of June 30

2014	2015	2016	2017	2018
6.00	6.00	6.50	7.00	6.50
9.00	9.00	7.33	7.78	8.00
39.00	41.50	41.69	41.94	41.50
7.77	7.60	8.10	8.60	8.60
1.10	1.10	1.10	1.10	1.10
1.00	1.00	1.00	1.00	1.00
15.98	16.99	17.79	18.36	18.97
3.55	3.10	2.94	3.54	3.88
5.75	6.00	5.90	6.71	6.74
2.13	2.06	1.99	1.99	2.03
3.07	3.08	3.08	3.08	3.08
5.68	5.91	6.08	6.00	6.08
N/A	NA	NA	N/A	N/A
6.13	6.23	6.01	6.23	6.10
2.90	3.00	2.74	3.23	3.31
1.48	1.47	1.46	1.45	1.42
0.62	0.63	0.63	0.60	0.63
0.00	0.00	0.00	0.00	0.00
10.64	10.84	10.64	10.64	10.64
0.79	0.79	0.79	0.79	0.79
3.95	3.75	3.95	3.95	3.95
3.11	3.23	3.23	3.23	3.23
6.00	6.00	5.81	6.08	6.10
1.10	1.16	1.16	1.16	1.16
3.82	4.00	4.00	4.00	4.00
5.68	5.70	5.20	5.65	0.00
N/A	N/A	N/A	N/A	4.56
N/A	N/A	N/A	N/A	5.65
12.99	13.20	13.20	13.20	12.95
3.60	3.25	3.55	4.56	4.80
7.73	8.00	7.84	6.00	3.81
3.00	3.00	3.00	5.00	5.00
7.00	7.00	6.75	6.00	4.75
3.40	3.45	3.45	3.56	3.72
3.02	3.10	2.88	3.10	2.86
1.00	1.00	1.00	1.00	1.00
6.65	6.68	6.40	6.33	6.82
3.00	3.00	3.48	3.00	3.00
3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
2.53	2.53	2.55	2.55	2.45
2.90	2.99	2.90	2.90	2.90
3.40	3.40	3.40	3.28	2.90
0.21	0.21	0.21	N/A	N/A
210.68	214.95	213.73	218.59	219.98
635.30	640.30	619.80	624.20	619.30
845.98	855.25	833.53	842.79	839.28

(Continued)

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				
	2009	2010	2011	2012	2013
Landfill Enterprise Fund					
Landfill	8.60	7.60	6.70	6.15	6.65
Transfer Station	N/A	N/A	N/A	N/A	N/A
Adult Daycare Enterprise Fund					
Administration	1.00	1.08	1.80	1.48	1.48
Nursing	4.00	4.58	4.47	4.22	3.83
Social Work	1.00	1.08	N/A	N/A	N/A
Therapeutic Recreation	1.50	1.58	1.58	1.30	1.30
Transportation	3.75	N/A	N/A	N/A	N/A
Child Development Enterprise Fund					
Infant/Toddler Programs	5.70	5.70	6.10	6.10	5.41
Preschool/Kindergarten Programs	9.95	9.80	9.40	9.40	9.59
Elementary Programs	3.35	3.35	3.35	3.35	3.19
Community Development					
Community Development (CDBG)	2.00	2.00	2.00	2.00	2.00
Total Other Funds	40.85	36.77	35.40	34.00	33.45
Total All Funds	869.93	860.96	851.22	853.43	860.77

Source: Budget
N/A - Not Available.

Full-Time Equivalent Employees as of June 30

2014	2015	2016	2017	2018
6.65	6.75	5.00	3.85	3.80
N/A	0.91	0.88	1.03	1.08
1.45	1.29	1.29	1.29	1.36
3.82	3.37	3.40	3.56	3.22
N/A	NA	NA	N/A	N/A
1.29	1.25	1.00	1.00	0.74
N/A	NA	NA	N/A	N/A
5.15	5.32	6.90	6.89	8.50
9.51	8.53	7.36	7.25	7.18
2.69	3.05	2.59	2.59	1.74
2.00	2.00	2.00	2.00	1.42
32.56	32.47	30.42	29.46	29.04
878.54	887.72	863.95	872.25	868.32

Town of Windsor, Connecticut

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

Function/Program	2009	2010	2011	2012
Public Safety				
Calls for service	52,451	60,100	53,677	51,847
Adult arrest	1,653	1,712	1,838	1,597
Juvenile arrest	77	69	92	177
Speeding citations only	N/A	N/A	N/A	196
Traffic citations	4,339	4,832	3,572	3,145
Total fire runs	1,150	1,031	1,080	972
Building safety				
Total Permits Issued	1,595	1,808	1,673	1,895
Total construction value all permits	\$ 75,615,985	\$ 76,261,429	\$ 48,760,775	\$ 32,801,790
Library, volumes in collection	124,029	124,667	129,448	160,502
Parks and Recreation				
Recreation program attendance	9,000	8,000	9,630	8,138
Aquatics program attendance	2,100	2,400	2,800	2,000
Total aquatic facility users	N/A	N/A	20,880	19,500

Source Town Records

N/A - Not Available.

⁽¹⁾ Rescue/Medical calls previously handled by Town Fire Department now handled by Windsor Volunteer Ambulance.

2013	2014	2015	2016	2017	2018
48,128	49,105	48,832	40,765	31,473	30,449
1,071	1,111	637	652	630	428
113	97	100	85	52	35
496	311	936	351	411	452
4,486	3,322	3,692	1,916	955	2,034
936	963	1,142	1,131	717	-
1,551	1,856	1,987	2,217	1,990	2,056
\$ 132,583,363	\$ 126,240,054	\$ 57,791,878	\$ 54,610,634	\$ 85,361,667	\$ 82,057,327
163,532	168,332	168,312	157,144	148,660	127,029
8,500	12,000	12,965	13,365	13,020	14,443
2,150	2,500	2,200	2,200	2,325	2,475
19,750	21,000	18,000	18,000	17,750	18,250

Town of Windsor, Connecticut

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

Function/Program	2009	2010	2011	2012
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
Soccer/Football Fields	17	17	17	17
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	2	2	2	2
Library				
Facilities	2	2	2	2

Source: Town Records

N/A - Not Available.

* FY16 and forward reflects town owned traffic signals.

2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
1	1	1	1	1	1
5	5	5	5	5	5
138	138	149.3	149.3	149.3	149.3
50	50	50	22	22	21
1,500	1,500	1,500	1,500	1,500	1,590
23	23	23	23	23	24
20	20	20	20	20	20
17	17	17	17	17	17
19	19	19	19	19	19
4	4	4	4	4	4
14	14	14	14	14	14
3	3	3	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2

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