

TOWN OF WINDSOR, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended June 30, 2019

The Town of Windsor, Connecticut

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2019

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

**James Bourke
Finance Director**

**Linda Collins
Assistant Finance Director**

**Tristen Dodd
Accountant**

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Introductory Section



December 27, 2019

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, 2019. 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, 2019.

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, 2019. 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.

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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, 2018. This was the 34th 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 27,000, Windsor ranks fifth among Hartford area communities in total non-retail employment. Major private employers include The Hartford, VOYA, Amazon, CIGNA, Walgreen Co., GE, Eversource and SS&C Technologies.

Over the last decade, Windsor has experienced substantial economic growth. More than 3.6 million square feet of new commercial space was constructed during this period including 35,000 square feet of retail space, 84,000 square feet of office space, 3.5 million square feet of industrial/distribution space, and 30,000 square feet of public/quasi-public space. Recent projects include a \$22 million expansion of a Verizon mobile switching center and Fast Pitch Nation, an 11-field softball complex that contributed towards more than 10,000 rooms reserved in local hotels for visiting teams and their families.

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. The first phase, a 230 unit market-rate apartment development, is now under construction. 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 2020-2025 CIP was adopted by the town council on June 3, 2019 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 \$131,749,940.

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 approved. Quarterly expenditures are reviewed with the Finance Committee. At the end of fiscal year 2019, the Town Council approved a budget transfer of \$53,500 from Safety Services to General Services to fund its year-end deficit, of which, \$37,000 was for a prior year tax refund and \$16,500 was for an additional transfer to the Caring Connection that was needed.
- 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" is the unassigned fund balance as of the end of the preceding fiscal year. The measure used is the 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 Fund budget. At June 30, 2019, in accordance with GASB 54, the Town's General Fund unassigned fund balance of \$25,900,614 represented 21.8% of the FY 20 adopted budget of \$118,719,040. 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, 2019, the required balance in accordance with the Town's policy was \$619,434. The June 30, 2019 Capital Project assigned fund balance was \$690,088.

- 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 19 General Fund open purchase orders as of June 10, 2019, totaling \$117,775 that were expected to be encumbered. The Town Council approved these encumbrances on June 10, 2019 through October 21, 2019. As of June 30, 2019, four purchase orders were liquidated and closed, leaving one purchase order open for \$19,850.
- 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, 2019 totaled \$43,090,000. Changes in bond indebtedness are detailed in Note 7 of this report. The FY 19 General Fund Net Annual Debt Service expenditures of \$7,180,230, as compared to the FY 19 Total Budgeted Expenditures in the General Fund of \$115,219,930, equals 6.2%. The Town is rated AAA by Standard & Poor's. It is the policy of the Town to preserve this rating by adhering to sound financial policies and decisions.

- **Defined Benefit Retirement Plan Policy** - 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. For additional information, please refer to Note 8.
- **OPEB (Other Postemployment Benefits) Trust Fund Policy** - 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. For additional information, please refer to Note 9.

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, 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 2019 is the second 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**

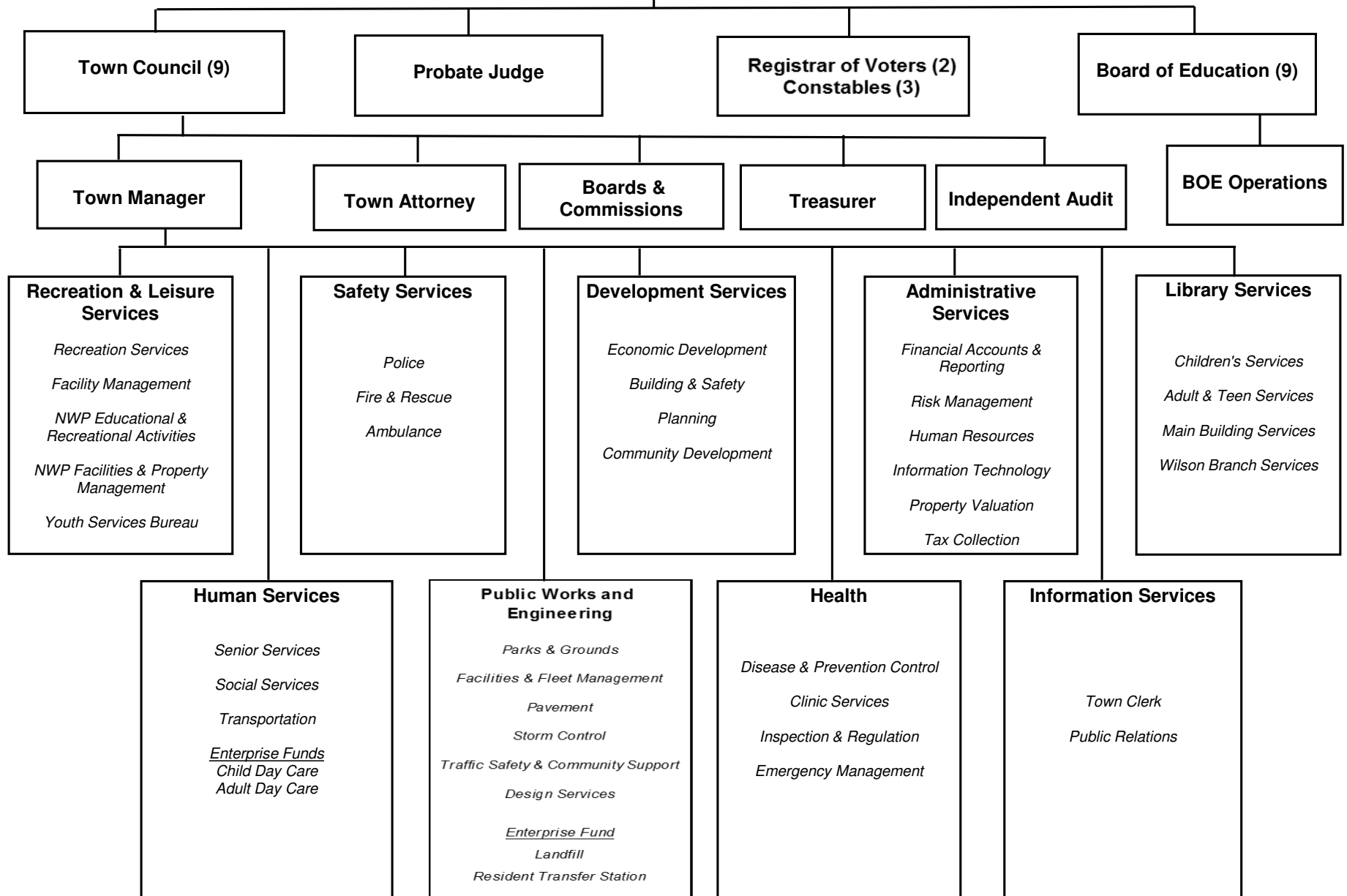
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Voters of Windsor



Principal Town Officials
As of June 30, 2019

Town Council

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

Board of Education

Leonard O. Lockhart, President
David Furie, Vice President
Maryam Khan, Secretary
Michaela I. Fissel, Minority Leader
Ronald Eleveld
Brian D. Bosch
Jeremy Halek
James Dobler
Ayana Taylor

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, 2019, 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 as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, the pension and OPEB related schedules and the General Fund budgetary comparison information 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 27, 2019 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 27, 2019

**Town of Windsor, Connecticut
Management's Discussion and Analysis- unaudited
June 30, 2019**

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, 2019. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the Town's basic financial statements that follow this section.

Financial Highlights

- On a government-wide basis, the assets 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 \$34.4 million. Total net position for Governmental Activities at fiscal year-end was \$43.5 million, which was \$4.1 million lower from the FY 18 net position. Total net position (deficit) for Business-Type Activities was (\$9.0) million, which was an increase of \$0.2 million from FY 18. The net position change for Business-Type Activities is due to a \$0.7 million decrease in post-closure liability costs for the landfill.
- Government-wide expenses were \$139.2 million, which is an increase of \$8.4 million as compared to FY 18. Government-wide revenues were \$134.9 million, which is a decrease of \$4.7 million as compared to FY 18.
- At the close of the year, the Town's governmental funds reported, on a current financial resources basis, combined ending fund balances of \$52.1 million, an increase of \$5.5 million from the prior fiscal year.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$30.8 million, an increase of \$3 million from the prior fiscal year. Of the total General Fund balance as of June 30, 2019, \$25.9 million represents unassigned fund balance. Unassigned fund balance at year-end represents 21.4% of total FY 19 General Fund expenditures and transfers out and 21.8% of FY 20 adopted budgeted expenditures. FY19 expenditures include the state teachers' retirement and Other Post-Employment Benefits (OPEB) payment of \$17.9 million made by the State Department of Education on behalf of the town and the FY20 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'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 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 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 include the Landfill, Resident Transfer Station, 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 Fund, Cafeteria Fund, Educational Grant Programs, J. Bartash Trust Fund, Treehouse Fund, Debt Service Fund, Other Special Revenue Fund 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 92-93 and in the combining statement of revenues, expenditures and changes in fund balances on pages 94-95.

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 statement of revenues, expenditures and changes in budgetary fund balance – budgetary basis – budget and actual – general fund can be found on page 87.

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 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 uses enterprise funds to account for its landfill post-closure activities, Resident Transfer Station, Child Development Center, and the Caring Connection Adult Day Care.

Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the Town's various functions. The Town 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. The report combines the Milo Peck Child Development Center, the Caring Connection Adult Day Care Center, and the Resident Transfer Station into the non-major funds of the Town. 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 OPEB 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 25-75 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 \$43.5 million on June 30, 2019, which was a decrease of \$4.1 million from the beginning net position of \$47.6 million.

TOWN OF WINDSOR CONNECTICUT SUMMARY STATEMENT OF NET POSITION (DEFICIT) (\$000's) June 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018-19
Current and other assets	\$ 91,471	\$ 77,529	\$ 25,389	\$ 26,139	\$ 116,860	\$ 103,668	12.7%
Capital assets, net of accumulated depreciation	113,535	108,483	159	96	113,694	108,579	4.7%
Total Assets	205,006	186,012	25,548	26,235	230,554	212,247	8.6%
Deferred outflows of resources	12,041	5,627	-	-	12,041	5,627	114.0%
Current liabilities	21,393	9,830	403	171	21,796	10,001	117.9%
Long-term liabilities outstanding	121,698	99,664	34,182	34,881	155,880	134,545	15.9%
Total Liabilities	143,091	109,494	34,585	35,052	177,676	144,546	22.9%
Deferred Inflows of resources	30,489	34,542	-	-	30,489	34,542	-11.7%
Net Position (Deficits):							
Net investment in capital assets	73,144	71,042	159	96	73,303	71,138	3.0%
Restricted	4,102	6,810	-	-	4,102	6,810	-39.8%
Unrestricted	(33,779)	(30,249)	(9,196)	(8,913)	(42,975)	(39,162)	9.7%
Total Net Position (Deficits)	\$ 43,467	\$ 47,603	\$ (9,037)	\$ (8,817)	\$ 34,430	\$ 38,786	-11.2%

At the end of the current fiscal year, the Town is able to report positive balances of \$34.4 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.

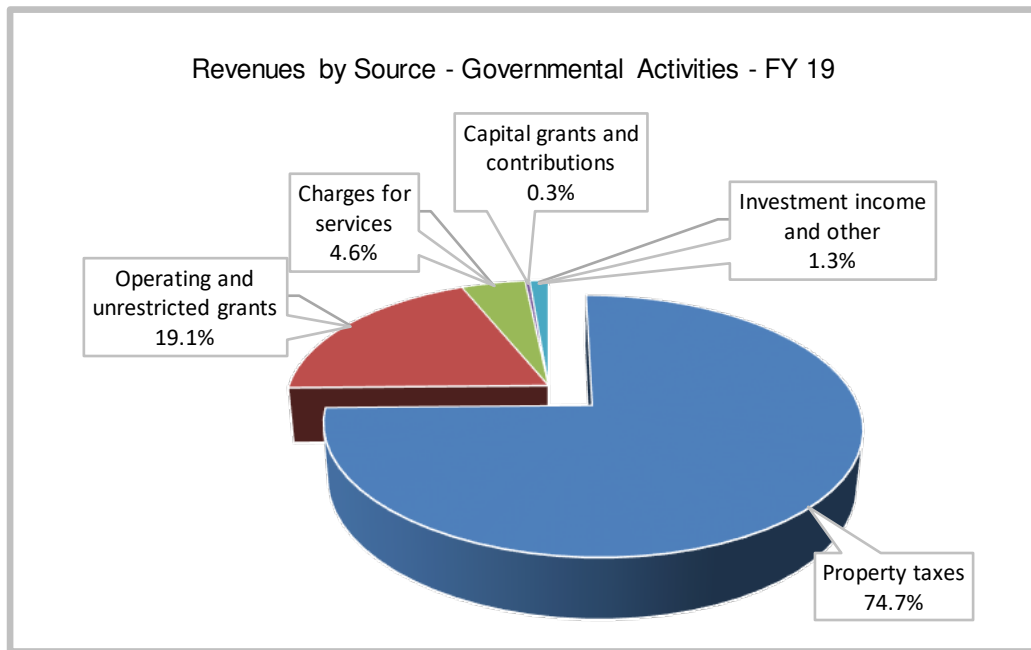
A large portion of the Town's net position (deficits) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt that is still outstanding used to acquire those assets. The Town uses these capital assets to provide services to citizens, and consequently, these assets are not available for future spending. Although the Town'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, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2018-19</u>
Revenues							
Program revenues							
Charges for services	\$ 6,025	\$ 5,068	\$ 1,685	\$ 1,746	\$ 7,710	\$ 6,814	13.1%
Operating grants and contributions	23,304	31,211	324	19	23,628	31,230	-24.3%
Capital grants and contributions	452	4,088	-	-	452	4,088	-88.9%
General Revenues							
Property taxes	98,946	94,276	-	-	98,946	94,276	5.0%
Grants not restricted to specific programs	1,923	1,815	-	-	1,923	1,815	6.0%
Miscellaneous	182	326	-	-	182	326	-44.2%
Unrestricted investment earnings	1,581	775	432	254	2,013	1,029	95.6%
Total revenues	132,413	137,559	2,441	2,019	134,854	139,578	-3.4%
Expenses							
General government	14,158	13,095	-	-	14,158	13,095	8.1%
Culture and recreation	5,163	4,798	-	-	5,163	4,798	7.6%
Human services	2,069	2,046	-	-	2,069	2,046	1.1%
Public works	7,615	7,350	-	-	7,615	7,350	3.6%
Education	84,241	88,865	-	-	84,241	88,865	-5.2%
Public safety	22,391	11,959	-	-	22,391	11,959	87.2%
Interest expense	907	905	-	-	907	905	0.2%
Landfill	-	-	984	91	984	91	981.3%
Child development	-	-	1,116	1,080	1,116	1,080	3.3%
Adult caring connection	-	-	384	389	384	389	-1.3%
Resident Transfer Station	-	-	182	201	182	201	-9.5%
Other	-	-	-	-	-	-	-
Total expenses	136,544	129,018	2,666	1,761	139,210	130,779	6.4%
Excess (deficit) of revenues over (under) expenses before transfers	(4,131)	8,541	(225)	258	(4,356)	8,799	-149.5%
Transfers	(5)	74	5	(74)	-	-	0.0%
Change in net position (deficit)	(4,136)	8,615	(220)	184	(4,356)	8,799	-149.5%
Net Position (deficits)- Beginning	47,603	38,988	(8,817)	(9,001)	38,786	29,987	29.3%
Net position (deficits) Ending	\$ 43,467	\$ 47,603	\$ (9,037)	\$ (8,817)	\$ 34,430	\$ 38,786	-11.2%

Governmental Activities

Approximately 74.7% of revenues and transfers in were derived from property taxes, followed by 19.1% from operating and unrestricted grants, 4.6% from charges for services, 0.3% from capital grants and contributions, and 1.3% from investment earnings and other miscellaneous revenue sources.



Major revenue factors included:

- Property tax revenues in FY 19 totaled \$98.9 million, which represents an increase of \$4.6 million or 4.9% over FY 18 tax revenues. This was in part due to the biennial tax sale that contributed \$593 thousand. The Town's FY 19 mill rate for real estate and personal property was 32.96 mills. The Town's collection rate on the current adjusted levy (real estate, personal property and motor vehicle) was budgeted at 98.8% as compared to the prior year's rate of 99.00% (real estate and personal property only).
- Operating grants and contributions decreased by \$7.9 million due to a decrease in the on behalf payments for the Teachers' Retirement Health Insurance Plan in FY 19.
- Capital grants and contributions decreased by \$3.6 million mostly due to receiving grant funds associated with road rehabilitation projects last year.
- Charges for services increased \$957 thousand from the prior year. This is mostly due to an increase in revenues for building permits and conveyance fees.
- Investment income and other miscellaneous revenues increased \$662 thousand or 60% versus what was received in FY 18 and is mostly due to the higher interest rate environment.

For Governmental Activities in FY 19, approximately 61.7% of the Town's expenses relate to education (vs. 68.9% in FY 18), 10.4% (vs. 10.1% in FY 18) to general government, 16.4% (vs. 9.3% in FY 18) relate to public safety, 5.6% (vs. 5.7% in FY 18) relate to public works, 3.8% (vs. 3.7% in FY 18) to culture and recreation, 1.5% (vs. 1.6% in FY 18) to human services, and 0.6% (vs. 0.7% in FY 18) 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 \$4.6 million from FY 18 mostly due to the decrease in the on behalf payment for the Teachers' Retirement Health Insurance Plan.
- Public Safety expenses increased \$10.4 million due to an increase in the Town's proportion of the net pension liability in the State of Connecticut (State) Municipal Employees Retirement System (CMERS) defined benefit pension plan.

Business-Type Activities

- The Business-Type Activities net deficit increased by \$219 thousand during FY 19. This is due mostly to the Landfill's closure costs.
- The Resident Transfer Station expenditures decreased \$19 thousand or 9.6% mostly due to savings in outside services.
- Child Development's FY 19 net position increased \$3 thousand and the Caring Connection Adult Day Care's net position decreased \$60 thousand.

Financial Analysis of the Fund Financial Statements

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

Governmental funds - The focus of the Town'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'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, 2019, the Town's governmental funds reported combined ending fund balances of \$52.1 million, an increase of \$5.6 million from \$46.5 million the previous year. This is primarily due to additional revenue collections and expenditure savings in the General Fund, as well as unspent borrowing proceeds in the Capital Projects Fund's restricted fund balance which were greater than the amount from the same time period one year prior. The General Fund unassigned fund balance comprises 49.7% 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 of the notes to the financial statements.

The General Fund is the chief operating fund of the Town. As of June 30, 2019, the unassigned fund balance for the General Fund was \$25.9 million, while total fund balance was \$30.8 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 23.4% of total General Fund expenditures of \$111 million, while total fund balance represents 27.8% of that same amount.

The Capital Projects Fund had a total fund balance of \$14.2 million, which is an increase of \$1.7 million from a balance of \$12.5 million in FY 18. As stated previously, this is primarily due to unspent borrowing proceeds in the Capital Projects Fund restricted fund balance due to the FY 19 bond issue occurring late in the fiscal year. The assigned fund balance of the Capital Projects Fund was \$690 thousand on June 30, 2019.

Proprietary funds. The Town'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 \$(9.9) million with unrestricted net position (deficits) of approximately \$(10.1) million as compared to \$(9.7) million and \$(9.8) million, respectively, in the prior year. The Landfill Enterprise Fund change in net position (deficits) is \$(259) thousand for the year as compared with a change in net position (deficits) of \$154 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.

General Fund Budgetary Highlights

Actual revenues on a budgetary basis were approximately \$117.8 million. This amount exceeded budgeted amounts by approximately \$3.5 million. The major revenue variances were:

- Total General Property Tax collections in excess of budget by \$1.8 million mostly due to current levy collections in excess of \$737 thousand in addition to a biennial tax sale resulting in \$593 thousand.
- Building permit fee collections exceeded budget by \$617 thousand and were due mostly to new commercial and residential construction.
- Interest income exceeded budget by \$575 thousand and was due to increased interest rates.
- Conveyance fee collections exceeded budget by \$339 thousand and were primarily attributable to unanticipated corporate property sales located on Poquonock Avenue, Helmsford Way, Addison Road, and Marshall Phelps Road.

Actual expenditures including transfers, but not use of fund balance, were \$114.2 million and kept under budget by approximately \$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 \$650,000 thousand from the unassigned fund balance. Uses were as follows:

School Safety and Security Project	\$ 400,000
Clover Street School Partial Roof Replacement	195,000
Mill Brook Property Improvements	55,000
	<u>\$ 650,000</u>

These items combined (additional revenues, expenditure savings, and use of fund balance) produced an increase of \$3.0 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's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$113.7 million (net of accumulated depreciation) compared to \$108.6 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, 2019**

	Governmental Activities	Business- Type Activities	Total
Land	\$ 7,034,284	\$ -	\$ 7,034,284
Construction in progress	11,757,700	-	11,757,700
Buildings and improvements	60,658,027	35,968	60,693,995
Infrastructure	18,374,599	-	18,374,599
Machinery and equipment	15,710,635	123,264	15,833,899
Total	\$ 113,535,245	\$ 159,232	\$ 113,694,477

Major additions during the year included the following:

- Ellsworth School HVAC Improvements Phase II
- Kennedy School HVAC Improvements
- Elementary Schools LED Lighting
- Fire Alarm and Security System Improvements
- Town Hall Renovations Phase III
- Salt Storage Shed Replacement

Additional information on the Town'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 \$43.1 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, 2019**

	Governmental Activities
General obligation bonds	<u>\$ 43,090,000</u>

The Town's total bonded debt increased by \$4.0 million or 10% during the current fiscal year as compared to a 2.0% increase in FY 18.

The Town's general obligation bond rating is AAA from Standard & Poor's. This rating was reaffirmed in June of 2019 when the Town issued general obligation bonds in the amount of \$10.0 million and \$12.0 million in bond anticipation notes.

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 \$660 million, down from \$697.6 million in FY 18. As of June 30, 2019, the Town recorded long-term debt of \$43.1 million related to Governmental Activities, well below its statutory debt limits. The following is a summary as of June 30, 2019 of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal Year Ending	Principal Payments	Interest Payments	Total Debt Service
2020	\$ 6,520,000	\$ 1,178,904	\$ 7,698,904
2021	5,590,000	986,650	6,576,650
2022	4,480,000	827,605	5,307,605
2023	4,435,000	691,805	5,126,805
2024	3,455,000	576,025	4,031,025
2025	2,475,000	489,512	2,964,512
2026	2,050,000	427,331	2,477,331
2027	2,020,000	381,656	2,401,656
2028	1,600,000	333,550	1,933,550
2029	1,250,000	295,576	1,545,576
2030	1,250,000	263,950	1,513,950
2031	1,255,000	230,200	1,485,200
2032	1,255,000	195,675	1,450,675
2033	1,255,000	160,525	1,415,525
2034	800,000	124,750	924,750
2035	800,000	102,000	902,000
2036	800,000	78,000	878,000
2037	800,000	54,000	854,000
2038	500,000	30,000	530,000
2039	500,000	15,000	515,000
	<u>\$ 43,090,000</u>	<u>\$ 7,442,714</u>	<u>\$ 50,532,714</u>

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

Economic Factors

As of October 2019, the unemployment rate for the Town was 3.9%. The unemployment rate for the Hartford labor market area was 3.5% and for the State of Connecticut, it stood at 3.4%. 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 is 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. The Town 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's 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 Finance Director at 275 Broad Street, Windsor, CT 06095.

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Basic Financial Statements

Town of Windsor, Connecticut

Statement of Net Position (Deficit)
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 66,128,037	\$ 19,901,110	\$ 86,029,147
Investments	16,830,748	5,435,757	22,266,505
Receivables:			
Property taxes, net of allowance for collection losses	962,832	-	962,832
Accounts receivable	1,742,600	-	1,742,600
Customer receivables	15,003	77,843	92,846
Community rehabilitation loans, net	1,957,503	-	1,957,503
Internal balances	25,374	(25,374)	-
Inventories	29,634	-	29,634
Prepays	1,039	-	1,039
Restricted cash and cash equivalents - capital outlay	3,777,596	-	3,777,596
Capital assets, not being depreciated	18,791,984	-	18,791,984
Capital assets, being depreciated, net of depreciation	94,743,261	159,232	94,902,493
Total assets	205,005,611	25,548,568	230,554,179
Deferred outflows of resources:			
Deferred charge on refunding	211,633	-	211,633
Deferred OPEB expense	2,149,156	-	2,149,156
Deferred pension expense	9,680,082	-	9,680,082
Total deferred outflows of resources	12,040,871	-	12,040,871
Liabilities			
Accounts payable and accruals	8,859,219	280,492	9,139,711
Accrued interest payable	180,845	-	180,845
Bond anticipation notes	11,970,000	-	11,970,000
Unearned revenues	383,354	122,862	506,216
Long-term liabilities:			
Due within one year	6,728,090	1,379,895	8,107,985
Due in more than one year	114,970,339	32,801,885	147,772,224
Total liabilities	143,091,847	34,585,134	177,676,981
Deferred inflows of resources:			
Advance property tax collections	4,706,108	-	4,706,108
Deferred OPEB related items	24,651,062	-	24,651,062
Deferred pension related items	1,131,519	-	1,131,519
Total deferred inflows of resources	30,488,689	-	30,488,689
Net position (deficits):			
Net investment in capital assets	73,143,607	159,232	73,302,839
Restricted:			
Community rehabilitation program	1,957,503	-	1,957,503
Public works	1,364,725	-	1,364,725
Other	779,474	-	779,474
Unrestricted (deficit)	(33,779,363)	(9,195,798)	(42,975,161)
Total net position (deficits)	\$ 43,465,946	\$ (9,036,566)	\$ 34,429,380

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Activities
Year Ended June 30, 2019

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	\$ (14,158,437)	\$ 1,850,331	\$ 6,500	\$ -	\$ (12,301,606)	\$ -	\$ (12,301,606)
Culture and recreation	(5,163,424)	1,467,736	40,335	-	(3,655,353)	-	(3,655,353)
Human services	(2,069,064)	176,005	113,664	-	(1,779,395)	-	(1,779,395)
Public works	(7,615,656)	191,398	404,900	452,339	(6,567,019)	-	(6,567,019)
Education	(84,241,067)	1,581,359	22,604,759	-	(60,054,949)	-	(60,054,949)
Public safety	(22,391,813)	758,379	133,562	-	(21,499,872)	-	(21,499,872)
Interest expense	(906,838)	-	-	-	(906,838)	-	(906,838)
Total governmental activities	(136,546,299)	6,025,208	23,303,720	452,339	(106,765,032)	-	(106,765,032)
Business-type activities:							
Landfill	(984,201)	-	309,679	-	-	(674,522)	(674,522)
Child Development Center	(1,116,084)	1,111,060	-	-	-	(5,024)	(5,024)
Caring Connection Adult Day Care	(383,914)	304,682	14,113	-	-	(65,119)	(65,119)
Resident Transfer Station	(181,860)	269,440	-	-	-	87,580	87,580
Total business-type activities	(2,666,059)	1,685,182	323,792	-	-	(657,085)	(657,085)
Total primary government	\$ (139,212,358)	\$ 7,710,390	\$ 23,627,512	\$ 452,339	(106,765,032)	(657,085)	(107,422,117)
General revenues:							
Property taxes					98,946,169	-	98,946,169
Miscellaneous					181,894	-	181,894
Grants and contributions not restricted to specific programs					1,923,062	-	1,923,062
Unrestricted investment earnings					1,581,244	432,885	2,014,129
Internal transfers					(4,820)	4,820	-
Total general revenues and internal transfers					102,627,549	437,705	103,065,254
Change in net position (deficit)					(4,137,483)	(219,380)	(4,356,863)
Net position (deficit) - beginning					47,603,429	(8,817,186)	38,786,243
Net position (deficit) - ending					\$ 43,465,946	\$ (9,036,566)	\$ 34,429,380

See notes to financial statements.

Town of Windsor, Connecticut

**Balance Sheet - Governmental Funds
June 30, 2019**

	Major Funds		Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
Assets				
Cash and cash equivalents	\$ 28,764,698	\$ 17,582,717	\$ 7,053,403	\$ 53,400,818
Investments	7,928,317	5,834,322	968,901	14,731,540
Restricted cash and cash equivalents	-	3,777,596	-	3,777,596
Receivables (net of allowances for collection losses):				
Property taxes	962,832	-	-	962,832
Accounts receivable	137,445	52,000	1,553,155	1,742,600
Community rehabilitation loans, net	-	-	1,957,503	1,957,503
Due from other funds	3,156,747	-	-	3,156,747
Prepays	-	-	1,039	1,039
Inventories	26,697	-	2,937	29,634
Total assets	\$ 40,976,736	\$ 27,246,635	\$ 11,536,938	\$ 79,760,309
Liabilities				
Accounts payable and accrued liabilities	\$ 4,718,744	\$ 1,059,047	\$ 696,317	\$ 6,474,108
Bond anticipation note	-	11,970,000	-	11,970,000
Unearned revenue	-	-	383,354	383,354
Due to other funds	-	-	3,131,373	3,131,373
Total liabilities	4,718,744	13,029,047	4,211,044	21,958,835
Deferred inflow of resources:				
Advance tax collections	4,706,108	-	-	4,706,108
Unavailable resources	788,936	52,000	184,717	1,025,653
Total deferred inflows of resources	5,495,044	52,000	184,717	5,731,761
Fund balances:				
Nonspendable	26,697	-	16,976	43,673
Restricted	-	3,777,596	4,101,702	7,879,298
Committed	-	9,697,904	2,293,672	11,991,576
Assigned	4,835,637	690,088	728,827	6,254,552
Unassigned	25,900,614	-	-	25,900,614
Total fund balances	30,762,948	14,165,588	7,141,177	52,069,713
Total liabilities, deferred inflows of resources and fund balances	\$ 40,976,736	\$ 27,246,635	\$ 11,536,938	

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.	113,535,245
Other long-term assets are not available and therefore not recognized in the funds.	1,025,653
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(121,698,429)
Deferred charge on refunding	211,633
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.	12,456,319
Deferred pension expense due to pension related items	9,680,082
Deferred pension credit due to pension related items	(1,131,519)
Deferred OPEB credit due to OPEB related items	2,149,156
Deferred OPEB credit due to OPEB related items	(24,651,062)
Accrued interest payable	(180,845)

Net position of governmental activities

\$ 43,465,946

Town of Windsor, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended June 30, 2019

	Major Funds		Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Capital Projects		
Revenues:				
Property taxes	\$ 99,113,331	\$ -	\$ -	\$ 99,113,331
State and Federal governments	19,229,990	400,339	5,996,792	25,627,121
Charges for services	4,581,911	-	1,443,297	6,025,208
Investment income	1,253,851	146,093	47,437	1,447,381
Other	-	63,746	105,591	169,337
Total revenues	124,179,083	610,178	7,593,117	132,382,378
Expenditures:				
Current:				
Education	73,321,557	-	6,773,049	80,094,606
General government	13,891,463	-	180,478	14,071,941
Culture and recreation	4,456,257	-	65,571	4,521,828
Human services	1,473,415	-	126,183	1,599,598
Public safety	10,836,755	-	77,359	10,914,114
Public works	6,663,418	-	295,851	6,959,269
Debt service:				
Principal retirements	-	-	6,015,000	6,015,000
Interest and other charges	-	-	1,052,791	1,052,791
Capital outlay	-	11,952,169	65,000	12,017,169
Total expenditures	110,642,865	11,952,169	14,651,282	137,246,316
Excess (deficiency) of revenues over (under) expenditures	13,536,218	(11,341,991)	(7,058,165)	(4,863,938)
Other financing sources (uses):				
Transfers in	71,680	3,089,698	7,484,030	10,645,408
Transfers out	(10,610,530)	(60,000)	(39,698)	(10,710,228)
Issuance of bonds	-	10,000,000	-	10,000,000
Premium on bonds issued	-	-	451,386	451,386
Total other financing sources (uses)	(10,538,850)	13,029,698	7,895,718	10,386,566
Change in fund balances	2,997,368	1,687,707	837,553	5,522,628
Fund balances, beginning	27,765,580	12,477,881	6,303,624	46,547,085
Fund balances, ending	\$ 30,762,948	\$ 14,165,588	\$ 7,141,177	\$ 52,069,713

See notes to financial statements.

Town of Windsor, Connecticut

**Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2019**

Net change in fund balances – total governmental funds	\$ 5,522,628
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.	5,052,094
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.	(102,605)
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.	(4,349,659)
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	(2,671,406)
Change in deferred outflows - pensions	4,322,924
Change in deferred inflows - pensions	(715,128)
Change in deferred outflow - OPEB	2,149,156
Change in deferred inflow - OPEB	4,130,768
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.	(17,683,740)
The net income of certain activities of internal service funds is reported with governmental activities	<u>207,485</u>
Change in net position of governmental activities	<u>\$ (4,137,483)</u>

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Net Position (Deficit) - Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets				
Current assets:				
Cash and cash equivalents	\$ 19,082,314	\$ 818,796	\$ 19,901,110	\$ 12,727,219
Investments	5,212,113	223,644	5,435,757	2,099,208
Receivables:				
Customer receivables, net	-	77,843	77,843	15,003
Total current assets	24,294,427	1,120,283	25,414,710	14,841,430
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	150,303	8,929	159,232	-
Total noncurrent assets	150,303	8,929	159,232	-
Total assets	24,444,730	1,129,212	25,573,942	14,841,430
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	229,763	65,424	295,187	118,065
Unearned revenue	-	122,862	122,862	-
Accrued claims payable	-	-	-	1,224,297
Accrued post closure costs	1,365,200	-	1,365,200	-
Due to General Fund	-	25,374	25,374	-
Total current liabilities	1,594,963	213,660	1,808,623	1,342,362
Noncurrent liabilities:				
Accrued post closure costs	32,757,800	-	32,757,800	-
Compensated absences	15,643	28,442	44,085	-
Accrued claims payable	-	-	-	1,042,749
Total noncurrent liabilities	32,773,443	28,442	32,801,885	1,042,749
Total liabilities	34,368,406	242,102	34,610,508	2,385,111
Net position (deficits):				
Net investment in capital assets	150,303	8,929	159,232	-
Unrestricted net position (deficits)	(10,073,979)	878,181	(9,195,798)	12,456,319
Total net position (deficits)	\$ (9,923,676)	\$ 887,110	\$ (9,036,566)	\$ 12,456,319

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit) - Proprietary Funds
Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds			Governmental
	Landfill	Other Nonmajor Enterprise Funds	Total	Internal Service Fund Activities
Operating revenues:				
User charges	\$ -	\$ 1,685,182	\$ 1,685,182	\$ 15,960,727
Total operating revenues	-	1,685,182	1,685,182	15,960,727
Operating expenses:				
Operations and maintenance	947,148	1,678,659	2,625,807	-
Claims	-	-	-	15,947,105
Depreciation	37,053	3,199	40,252	-
Total operating expenses	984,201	1,681,858	2,666,059	15,947,105
Operating (loss) income	(984,201)	3,324	(980,877)	13,622
Nonoperating revenues (expenses):				
Interest income	416,004	16,881	432,885	133,863
Intergovernmental	-	14,113	14,113	-
Total nonoperating revenues (expenses)	416,004	30,994	446,998	133,863
Income before transfers	(568,197)	34,318	(533,879)	147,485
Transfers in	-	76,500	76,500	60,000
Transfers out	-	(71,680)	(71,680)	-
State Grants	309,679	-	309,679	-
Change in net position	(258,518)	39,138	(219,380)	207,485
Net position (deficit), beginning	(9,665,158)	847,972	(8,817,186)	12,248,834
Net position (deficit), ending	\$ (9,923,676)	\$ 887,110	\$ (9,036,566)	\$ 12,456,319

See notes to financial statements.

Town of Windsor, Connecticut

**Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds			Governmental
	Other Nonmajor			Activities
	Landfill	Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ 1,767,248	\$ 1,767,248	\$ 16,036,599
Payments to suppliers	(1,111,538)	(453,884)	(1,565,422)	(16,284,882)
Payments to employees	(396,719)	(1,216,037)	(1,612,756)	-
Net cash (used in) provided by operating activities	(1,508,257)	97,327	(1,410,930)	(248,283)
Cash flows from capital financing activities:				
Purchase of capital assets	(103,758)	-	(103,758)	-
Net cash used in capital financing activities	(103,758)	-	(103,758)	-
Cash flows from noncapital financing activities:				
Intergovernmental revenue	-	14,113	14,113	-
Transfers in	-	76,500	76,500	60,000
Transfers out	-	(71,680)	(71,680)	-
Grants	309,679	-	309,679	-
Due to/from other funds	-	25,374	25,374	-
Net cash provided by noncapital financing activities	309,679	44,307	353,986	60,000
Cash flows from investing activities:				
Interest received	416,004	16,881	432,885	133,863
Purchase/Sale of investments	-	(6,682)	(6,682)	116,177
Sale of investments	1,136,767	6,481	1,143,248	-
Net cash provided by investing activities	1,552,771	16,680	1,569,451	250,040
Net increase in cash and cash equivalents	250,435	158,314	408,749	61,757
Cash and cash equivalents:				
Beginning	18,831,879	660,482	19,492,361	12,665,462
Ending	\$ 19,082,314	\$ 818,796	\$ 19,901,110	\$ 12,727,219
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (984,201)	\$ 3,324	\$ (980,877)	\$ 13,622
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	37,053	3,199	40,252	-
Changes in assets and liabilities:				
Decrease (increase) accounts receivable	-	(3,197)	(3,197)	149,623
Increase in accounts payable	135,885	8,739	144,624	39,856
Decrease in due to other funds	-	-	-	(252,000)
Increase (decrease) in unearned revenue	-	85,262	85,262	(73,751)
Decrease in accrued liabilities	(696,994)	-	(696,994)	(125,633)
Net cash (used in) provided by operating activities	\$ (1,508,257)	\$ 97,327	\$ (1,410,930)	\$ (248,283)

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2019

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 728,425	\$ 1,113,575
Investments:		
Equity mutual funds	45,428,257	-
Fixed income mutual funds	20,514,038	-
Other Investments - real estate	4,220,122	-
Total investments	70,162,417	-
Contributions receivable	672,781	-
Other receivables	1,257	-
Total assets	71,564,880	1,113,575
Liabilities		
Accounts payable	-	1,113,575
Net position restricted for pensions and other benefits	\$ 71,564,880	\$ -

See notes to financial statements.

Town of Windsor, Connecticut

Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2019

	Trust Funds
Additions:	
Contributions:	
Employer	\$ 1,940,704
Plan members	542,944
Total contributions	<u>2,483,648</u>
Investment income:	
Net appreciation in fair value of investments	273,787
Interest and dividends	1,613,442
	<u>1,887,229</u>
Less investment expenses:	
Investment management fees	20,492
Net investment income	<u>1,866,737</u>
Total additions	<u>4,350,385</u>
Deductions:	
Benefits	<u>4,188,153</u>
Change in plan net position	162,232
Net position restricted for pensions and other benefits:	
Beginning of year	<u>71,402,648</u>
End of year	<u>\$ 71,564,880</u>

See notes to financial statements.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: Windsor, 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 (GAAP) as applicable to governments.

GAAP requires 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 (GASB) 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. 83, *Certain Asset Retirement Obligations*, was effective for the Town beginning with its year ending June 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. The adoption of this statement did not impact the Town financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was effective for the Town beginning with its year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statement related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of GASB Statement No. 88 did not impact the Town financial position or results of operations.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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, 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. Intergovernmental revenues are considered to be available if they are collected within 18 months of the end of the fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, and Other Postemployment Benefits (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 Projects 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 Fund** is 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 GAAP requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements. 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 is subject to constraints imposed by creditors. Restricted cash and cash equivalents in the Capital Projects Fund are to be used for construction purposes.

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.

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 \$673,000 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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The three categories within the hierarchy are as follows:

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

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 judgment.

See Note 3 for additional information regarding fair value.

Investments measured at the net asset value (NAV): Investments valued using the 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.

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 classifies 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	\$ 43,090,000
Premiums, net of amortization	1,290,867
Compensated absences	832,350
Net pension liability	18,421,694
Net OPEB liability	<u>47,722,593</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 111,357,504</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	\$ 12,002,204
Depreciation expense	<u>(6,950,110)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 5,052,094</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	\$ 10,000,000
Principal repayments:	
General obligation debt	(6,015,000)
Amortization:	
Bond premium	306,816
Loss on refundings	<u>57,843</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at change in net position of governmental activities	 <u><u>\$ 4,349,659</u></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	\$ 18,783
Accrued interest	(59,226)
Net pension liability - CMERS	10,340,925
Net pension liability	3,896,112
Net OPEB liability	<u>3,487,146</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$ 17,683,740</u></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, 2019, approximately \$98,687,000 of the Town's bank balance of approximately \$111,412,000 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, 2019:

Cash, restricted cash and equivalents:	
Deposits with financial institutions	\$ 110,171,898
State short-term investment fund	3,743,350
Total cash, restricted cash and equivalents	<u>113,915,248</u>
Less certificates of deposits classified as investments	<u>(22,266,505)</u>
	<u>91,648,743</u>
Pension and OPEB trust funds:	
Equity mutual funds	45,428,257
Fixed income mutual funds	20,514,038
Other investments - real estate	4,220,122
Total pension and OPEB investments	<u>70,162,417</u>
Total cash, cash equivalents and investments	<u>\$ 184,077,665</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	\$ 86,029,147
Restricted cash and cash equivalents	3,777,596
Investments - certificates of deposit	22,266,505
	<u>112,073,248</u>

Fiduciary funds:

Cash and cash equivalents	1,842,000
Investments	70,162,417
	<u>72,004,417</u>
Total cash, cash equivalents and investments	<u>\$ 184,077,665</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	\$ 20,514,038	\$ 1,866,752	\$ 8,048,942	\$ 3,464,045	\$ 7,134,299
Total	<u>\$ 20,514,038</u>	<u>\$ 1,866,752</u>	<u>\$ 8,048,942</u>	<u>\$ 3,464,045</u>	<u>\$ 7,134,299</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	\$ 8,938,525
AA	770,745
A	3,423,652
BBB	3,258,995
BB	1,577,566
B	682,236
Below B	518,576
Unrated	1,343,743
Total	<u>\$ 20,514,038</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, 2019:

Investment Instruments Measured at Fair Value

	Fair Value Measurements Using			
	June 30, 2019	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	\$ 45,428,257	\$ 45,428,257	\$ -	\$ -
Fixed income mutual funds	20,514,038	20,514,038	-	-
Total investments by fair value level	65,942,295	\$ 65,942,295	\$ -	\$ -
Investments measured at the net asset level (NAV):				
Real estate fund	4,220,122	4,220,122		
Total investments measured at the NAV	4,220,122	4,220,122		
Total investments	\$ 70,162,417			

Real estate fund: This type includes real estate investments in U.S. residential, hotel, industrial office, retail, 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, 2019, was as follows:

	Beginning Balance	Increases/ Transfers	Decreases / Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,034,284	\$ -	\$ -	\$ 7,034,284
Construction in progress	5,484,477	10,312,684	4,039,461	11,757,700
Total capital assets not being depreciated	12,518,761	10,312,684	4,039,461	18,791,984
Capital assets being depreciated:				
Buildings and improvements	136,670,424	4,057,479	-	140,727,903
Machinery and equipment	40,236,807	1,671,502	323,485	41,584,824
Infrastructure	101,006,807	-	-	101,006,807
Total capital assets being depreciated	277,914,038	5,728,981	323,485	283,319,534
Less accumulated depreciation for:				
Buildings and improvements	76,643,002	3,426,874	-	80,069,876
Machinery and equipment	24,060,737	2,136,937	323,485	25,874,189
Infrastructure	81,245,909	1,386,299	-	82,632,208
Total accumulated depreciation	181,949,648	6,950,110	323,485	188,576,273
Total capital assets being depreciated, net	95,964,390	(1,221,129)	-	94,743,261
Governmental activities capital assets, net	<u>\$ 108,483,151</u>	<u>\$ 9,091,555</u>	<u>\$ 4,039,461</u>	<u>\$ 113,535,245</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 332,800	\$ 26,227	\$ -	\$ 359,027
Machinery and equipment	3,173,982	77,531	-	3,251,513
Total capital assets being depreciated	3,506,782	103,758	-	3,610,540
Less accumulated depreciation for:				
Buildings and improvements	314,424	8,635	-	323,059
Machinery and equipment	3,096,632	31,617	-	3,128,249
Total accumulated depreciation	3,411,056	40,252	-	3,451,308
Total business-type capital assets, net	<u>\$ 95,726</u>	<u>\$ 63,506</u>	<u>\$ -</u>	<u>\$ 159,232</u>

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	\$ 3,659,837
General government	503,868
Culture and recreation	559,317
Human services	143,675
Public works	794,499
Public safety	1,288,914
Total depreciation expense – governmental activities	<u>\$ 6,950,110</u>

Business-type activities:

Landfill	\$ 37,053
Child development	1,000
Adult caring connection	2,199
Total depreciation expense – business-type activities	<u>\$ 40,252</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, 2019 is presented below:

	Due From Other Funds	Due to Other Funds
General fund	\$ 3,156,747	\$ -
Nonmajor enterprise funds	-	25,374
Nonmajor governmental funds	-	3,131,373
	<u>\$ 3,156,747</u>	<u>\$ 3,156,747</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, 2019, were as follows:

	Transfers In					Total Transfers Out
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 3,050,000	\$ 7,484,030	\$ -	\$ 76,500	\$ 10,610,530
Nonmajor governmental funds	-	39,698	-	-	-	39,698
Nonmajor enterprise funds	71,680	-	-	-	-	71,680
Capital Projects Fund	-	-	-	60,000	-	60,000
Total transfers in	\$ 71,680	\$ 3,089,698	\$ 7,484,030	\$ 60,000	\$ 76,500	\$ 10,781,908

Transfers from the General Fund to the Debt Service Fund reported as a nonmajor governmental 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 \$2,400,000 from the General Fund General Services Capital Projects budget to fund various projects and \$650,000 from the General Fund Unassigned Fund Balance to fund School Safety and Security Project of \$400,000, Mill Brook Property Improvement of \$55,000 and the Clover Street School Partial Roof Replacement project of \$195,000. The Open Space Fund received \$200,000 from the General Fund General Services Capital Projects budget. The Community Development Block Grant Fund received \$103,800 from the General Fund Community Development budget to fund the neighborhood and grant activities of the fund.

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:

Town of Windsor, Connecticut

Notes to Financial Statements

	Unavailable Resources	Unearned Revenues
General Fund:		
Property taxes	\$ 783,164	\$ -
Advance tax collections	4,706,108	-
Other receivables	5,772	-
	<u>5,495,044</u>	<u>-</u>
Capital Projects:		
Other receivables	52,000	-
	<u>52,000</u>	<u>-</u>
Other nonmajor governmental funds:		
Prepaid program fees	-	383,354
Other receivables	184,717	-
	<u>184,717</u>	<u>383,354</u>
Total	<u>\$ 5,731,761</u>	<u>\$ 383,354</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, 2019 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 39,105,000	\$ 10,000,000	\$ 6,015,000	\$ 43,090,000	\$ 6,520,000
Unamortized premiums	984,051	451,386	144,570	1,290,867	-
	<u>40,089,051</u>	<u>10,451,386</u>	<u>6,159,570</u>	<u>44,380,867</u>	<u>6,520,000</u>
Other long-term liabilities:					
Compensated absences	813,567	886,082	867,299	832,350	208,090
Net pension liability	14,525,582	3,896,112	-	18,421,694	-
Net pension liability - CMERS	-	10,340,925	-	10,340,925	-
Net OPEB liability	44,235,447	3,487,146	-	47,722,593	-
	<u>59,574,596</u>	<u>18,610,265</u>	<u>867,299</u>	<u>77,317,562</u>	<u>208,090</u>
Governmental activities long-term liabilities	<u>\$ 99,663,647</u>	<u>\$ 29,061,651</u>	<u>\$ 7,026,869</u>	<u>\$ 121,698,429</u>	<u>\$ 6,728,090</u>
Business-type activities:					
Other long-term liabilities:					
Compensated absences	\$ 61,294	\$ 59,849	\$ 62,363	\$ 58,780	\$ 14,695
Landfill post closure costs	34,820,000	-	697,000	34,123,000	1,365,200
Total other long-term liabilities	<u>34,881,294</u>	<u>59,849</u>	<u>759,363</u>	<u>34,181,780</u>	<u>1,379,895</u>
Business-type activities long-term liabilities	<u>\$ 34,881,294</u>	<u>\$ 59,849</u>	<u>\$ 759,363</u>	<u>\$ 34,181,780</u>	<u>\$ 1,379,895</u>

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

Town of Windsor, Connecticut

Notes to Financial Statements

Note 7. Long-Term Liabilities (Continued)

General obligation bonds: As of June 30, 2019 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 June 30, 2019
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	2,049,000
Public General Obligation	\$500,000 - \$520,000	2014	2.0-3.0	3,690,000	1,840,000
Public Refunding	\$45,000 - \$1,415,000	2014	2.0-4.0	3,355,000	2,562,000
Public General Obligation	\$235,000 - \$270,000	2015	2.0-2.5	3,165,000	2,100,000
Public General Obligation	\$310,000 - \$315,000	2016	2.0	3,755,000	2,820,000
Public General Obligation	\$213,000	2017	2.0-4.0	4,260,000	3,834,000
Public Refunding	\$53,000 - \$1,573,000	2017	2.0-4.0	5,657,000	3,822,000
Public General Obligation	\$195,000 - \$215,000	2018	2.0-5.0	3,135,000	2,940,000
Public General Obligation	\$404,000 - \$405,000	2019	2.0-5.0	8,085,000	8,085,000
Total general purpose				<u>43,677,000</u>	<u>30,417,000</u>
Schools:					
School General Obligation	\$410,000 - \$425,000	2013	1.25-2.0	950,000	476,000
School General Obligation	\$500,000 - \$520,000	2014	2.0-3.0	1,330,000	680,000
School General Obligation Refunding	\$45,000 - \$1,415,000	2014	2.0-4.0	915,000	683,000
School General Obligation	\$180,000 - \$190,000	2015	2.0-2.5	2,205,000	1,470,000
School General Obligation	\$40,000 - \$50,000	2016	2.0	530,000	385,000
School General Obligation	\$82,000 - \$87,000	2017	2.0-4.0	1,685,000	1,521,000
School Refunding	\$47,000 - \$1,297,000	2017	2.0-4.0	3,568,000	2,168,000
School General Obligation	\$255,000 - \$240,000	2018	2.0-5.0	3,630,000	3,375,000
School General Obligation	\$95,000 - \$96,000	2019	2.0-5.0	1,915,000	1,915,000
Total schools				<u>16,728,000</u>	<u>12,673,000</u>
Grand total				<u>\$60,405,000</u>	<u>\$43,090,000</u>

The following is a summary as of June 30, 2019, of the future principal and interest requirements for the Town's general obligation bonds:

Fiscal year ending June 30:	Principal	Interest	Total
2020	\$ 6,520,000	\$ 1,178,904	\$ 7,698,904
2021	5,590,000	986,650	6,576,650
2022	4,480,000	827,605	5,307,605
2023	4,435,000	691,805	5,126,805
2024	3,455,000	576,025	4,031,025
2025-2029	9,395,000	1,927,625	11,322,625
2030-2034	5,815,000	975,100	6,790,100
2035-2039	3,400,000	279,000	3,679,000
Total	<u>\$ 43,090,000</u>	<u>\$ 7,442,714</u>	<u>\$ 50,532,714</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	\$ 212,224,280	\$ 61,787,000	\$ 150,437,280
Unfunded pension benefit obligation	282,965,706	-	282,965,706
Schools	424,448,559	12,673,000	411,775,559
Sewers	353,707,133	-	353,707,133
Urban renewal	306,546,182	-	306,546,182

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$660,253,314

Bonds authorized but unissued: Total authorized but unissued debt at June 30, 2019 consists of the following:

Town	<u><u>\$ 19,400,000</u></u>
------	-----------------------------

Bond anticipation notes: In June 2019, the Town issued \$11,970,000 in bond anticipation notes with an interest rate of 3.0 percent, which will be repaid in June 2020.

Bond anticipation note transactions for the year ended June 30, 2019 were as follows:

Outstanding, July 1, 2018	\$ -
New borrowings	11,970,000
Repayments	-
Outstanding, June 30, 2019	<u><u>\$ 11,970,000</u></u>

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.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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, 2018, the date of the actuarial valuation, is comprised of the following:

Retirees and beneficiaries currently receiving benefits	220
Vested terminated employees	51
Active members	219
Total	<u>490</u>

Funding policy: The contribution requirements of plan members are established and may be amended by the Town Council and Board of Education, subject to union contract negotiation. Non-affiliated administrative employees, public works/clerical employees' collective bargaining group and public safety dispatchers are required to contribute 5.0 percent of their earnings. 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 10.44 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, 2019.

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Core Fixed Income	Barclays Aggregate	29.00%	2.40%
U.S. Equity Market	Russell 3000	30.00%	4.61%
Global Equity	MSCI ACW NR	15.00%	4.98%
Non-U.S. Equity	MSCI ACW xUS NR	21.00%	5.81%
Private Real Estate Property	NCREIF Property	5.00%	3.85%

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

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, 2019 are summarized in the table above.

Rate of return: For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.54 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 7.00 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.

Net pension liability of the Town: The components of the net pension liability of the Town at June 30, 2019 were as follows:

<u>Net Pension Liability</u>	<u>June 30, 2019</u>
Total pension liability	\$ 87,293,102
Fiduciary net position	68,871,408
Net pension liability	18,421,694
Fiduciary net position as a percentage of total pension liability	78.90%
Covered payroll	12,839,197
Net pension liability as a percentage of covered payroll	143.48%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2018, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date June 30, 2019.

Discount rate:

Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%

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, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2018	\$ 83,997,263	\$ 69,471,681	\$ 14,525,582
Changes for the year:			
Service cost	984,203	-	984,203
Interest on total pension liability	5,908,293	-	5,908,293
Effect of plan changes	(1,493)	-	(1,493)
Effect of economic/demographic gains or losses	(380,250)	-	(380,250)
Effect of assumptions changes or inputs	973,239	-	973,239
Benefit payments	(4,188,153)	(4,188,153)	-
Employer contributions	-	1,340,704	(1,340,704)
Member contributions	-	542,943	(542,943)
Net investment income	-	1,723,470	(1,723,470)
Administrative expense	-	(19,237)	19,237
Net changes	3,295,839	(600,273)	3,896,112
Balances at June 30, 2019	<u>\$ 87,293,102</u>	<u>\$ 68,871,408</u>	<u>\$ 18,421,694</u>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Other key actuarial assumptions:

Valuation date	July 1, 2018
Measurement date	June 30, 2019
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 7.00 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 (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 28,619,543	\$ 18,421,694	\$ 10,138,314

For the year ended June 30, 2019, the Town recognized pension expense of \$4,326,435 for the Town pension. At June 30, 2019, 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	\$ -	\$ (402,085)
Change of assumptions	1,031,047	-
Net Difference between expected and actual earnings	2,556,634	-
Total	<u>\$ 3,587,681</u>	<u>\$ (402,085)</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:	
2020	\$ 1,678,290
2021	132,110
2022	746,192
2023	629,004

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

**Schedule of Plan Net Position
June 30, 2019**

	Pension Trust Fund	OPEB Trust Other Post- Employment Benefit Fund	Total
	Town Pension Fund		
Assets			
Cash	\$ 706,116	\$ 22,309	\$ 728,425
	706,116	22,309	728,425
Investments:			
Equity mutual funds	43,707,039	1,721,218	45,428,257
Fixed income mutual funds	19,564,134	949,904	20,514,038
Other investments - real estate	4,220,122	-	4,220,122
Total investments	67,491,295	2,671,122	70,162,417
Contributions receivable	672,781	-	672,781
Other receivables	1,216	41	1,257
Total assets	68,871,408	2,693,472	71,564,880
Net position - restricted for pension benefits and OPEB	\$ 68,871,408	\$ 2,693,472	\$ 71,564,880

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, 2019**

	Pension Trust Fund	OPEB Trust Other Post- Employment Benefit Fund	Total
	Town Pension Fund		
Additions:			
Employer contributions	\$ 1,340,704	\$ 600,000	\$ 1,940,704
Plan members	542,944	-	542,944
Total contributions	1,883,648	600,000	2,483,648
Investment income:			
Net appreciation in fair value of investments	176,405	97,382	273,787
Interest and dividends	1,547,064	66,378	1,613,442
Less investment expenses:			
Investment management fees	19,237	1,255	20,492
Net investment income	1,704,232	162,505	1,866,737
Total additions	3,587,880	762,505	4,350,385
Deductions:			
Benefits	4,188,153	-	4,188,153
Change in net position	(600,273)	762,505	162,232
Net position, restricted for pensions and OPEB:			
Beginning of year	69,471,681	1,930,967	71,402,648
End of year	\$ 68,871,408	\$ 2,693,472	\$ 71,564,880

Aggregate pension / OPEB plans:

	Net Liability	Pension / OPEB Expense	Deferred Inflows	Deferred Outflows
Defined Benefit Plan (PERS)	\$ 18,421,694	\$ 4,326,435	\$ (402,085)	\$ 3,587,681
OPEB Plan	47,722,593	(566,351)	(24,651,062)	2,149,156
Connecticut Municipal Retirement System (CMERS)	10,340,925	11,275,096	(729,434)	6,092,401
Total	\$ 76,485,212	\$ 15,035,180	\$ (25,782,581)	\$ 11,829,238

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 5.5 percent of each participant's salary. Employees are also required to contribute 5.5 percent of their salary and may make additional contributions subject to IRS regulations. Town contributions to the plan amounted to \$146,420 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. Chapters 7-425 to 7-451 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes CMERS 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 2019 is 15.2 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 year ended June 30, 2019 were \$967,336 which is 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.

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.

Normal retirement: 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)

Optional benefits: Prior to the retirement, a member may elect to convert their 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 their life with the provision that after their death the beneficiary designated by them at the time of this retirement; or 2. A reduced retirement allowance payable during their life with the provision that after their death, an allowance of one-half of their reduced allowance will be continued for life to the beneficiary designated by them at the time of their retirement; 3. A reduced retirement allowance payable during their life with a guarantee of 120 or 240 monthly payments to the member or their designated beneficiary.

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

Valuation date	6/30/18
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*	7.00%, net of investment related expense
Projected salary increases*	3.50 to 10.00% including inflation
Inflation	3.50%
Mortality	The RP2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

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
Domestic Equity	20%	5.3%
Developed Market International	11%	5.1%
Emerging Market International	9%	7.4%
Core Fixed Income	16%	1.6%
Inflation Linked Bonds	5%	1.3%
Emerging Market Debt	5%	2.9%
High Yield Bonds	6%	3.4%
Real Estate	10%	4.7%
Private Equity	10%	7.3%
Alternative Investments	7%	3.2%
Liquidity Fund	1%	0.9%
	<u>100%</u>	

Discount rate: the discount rate used to measure the total pension liability was 7.00 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 liability, pension expense, and deferred outflows of resources and deferred inflows of resources: At June 30, 2019, the Town reported a net pension liability of \$10,340,925 for its proportionate share of the net pension liability related to its participation in CMERS. The total pension liability as of June 30, 2018 is based upon the June 30, 2018 actuarial valuation. The Town's proportion of the net pension liability was based on its share of contributions to the CMERS for fiscal year 2018 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2018, the Town's proportion was 3.90%. The increase in proportion from 2017 was 0.16%.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

For the year ended June 30, 2019, the Town recognized CMERS pension expense of \$11,275,096 related to the CMERS plan. At June 30, 2019, the Town reported deferred outflows of resources related to CMERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 759,497	\$ (480,777)
Change of actuarial assumptions	3,618,156	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	187,681	(248,657)
Net difference between expected and actual earnings	559,731	-
Contributions made subsequent to measurement date	967,336	-
Total	<u>\$ 6,092,401</u>	<u>\$ (729,434)</u>

\$967,336 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2019 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:	
2020	\$ 1,632,349
2021	1,351,292
2022	611,852
2023	800,138

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of CMERS, calculated using the discount rate of 7.00 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Town's share of net pension liability associated with the Plan	<u>\$ 15,246,500</u>	<u>\$ 10,340,925</u>	<u>\$ 5,765,924</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, principals, superintendents and supervisors 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).

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 during the three years of highest 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 Section and 10-183z (which reflects Public Act 79-436 as amended).

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

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

The School District has no obligation to contribute to the plan.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 8. Employee Retirement Plans (Continued)

Actuarial assumptions: The total pension liability as of June 30, 2018 is based upon the June 30, 2018 actuarial valuation (measurement date), using the following key actuarial assumptions:

Inflation	2.50%
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 2017 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 8.00 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.

Town of Windsor, Connecticut

Notes to Financial Statements

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 \$100,097,275 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 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, 2019, the Town recognized \$11,234,150 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, Board of Education (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>

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

Cost Sharing	<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, up 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, 2019, 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, 2019.

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, beneficiaries, and spouses of retirees 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	3.50%
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 3.87 percent to 3.50 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, 2019, 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	6.47%

Net OPEB liability of the Town: The components of the net OPEB liability of the Town at June 30, 2019 were as follows:

Total OPEB liability	\$ 50,416,065
Plan fiduciary net position	2,693,472
Net OPEB liability	<u>47,722,593</u>
Plan fiduciary net position as a percentage of total OPEB liability	5.34%
Covered payroll	\$ 46,133,025
Net OPEB liability as a % of covered payroll	103.45%

	<u>Increase (Decrease)</u>		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2018	\$ 46,166,414	\$ 1,930,967	\$ 44,235,447
Changes for the year:			
Service cost	1,558,808	-	1,558,808
Interest on total OPEB liability	1,815,793	-	1,815,793
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	2,501,477	-	2,501,477
Benefit payments	(1,626,427)	(1,626,427)	-
Employer contributions	-	2,226,427	(2,226,427)
Member contributions	-	-	-
Net investment income	-	163,760	(163,760)
Administrative expense	-	(1,255)	1,255
Net changes	<u>4,249,651</u>	<u>762,505</u>	<u>3,487,146</u>
Balances at June 30, 2019	<u>\$ 50,416,065</u>	<u>\$ 2,693,472</u>	<u>\$ 47,722,593</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, 2019, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Core Fixed Income	35.00%	2.27%
U.S. Large Caps	36.00%	3.13%
Non-U.S. Equity	24.00%	4.11%
U.S. REITS	5.00%	3.27%
	100.00%	

Discount rate: The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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 3.50%, 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:

Net OPEB Liability	1.0% Decrease decreasing to 2.50%)	Healthcare Cost Trend Rates 3.50%	1.0% Increase increasing to 4.50%)
OPEB Plan	\$ 55,580,265	\$ 47,722,593	\$ 41,382,596

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% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
OPEB Plan	\$ 39,984,217	\$ 47,722,593	\$ 57,500,961

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended June 30, 2019, the Town recognized OPEB expense of \$(566,351). At June 30, 2019, 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	\$ -	\$ (21,148,136)
Changes of assumptions	2,149,156	(3,452,212)
Net difference between projected and actual earnings on OPEB plan investments	-	(50,714)
	\$ 2,149,156	\$ (24,651,062)

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

Year ending June 30:	
2020	\$ (3,830,654)
2021	(3,830,654)
2022	(3,830,653)
2023	(3,827,673)
2024	(3,817,230)
Thereafter	(3,365,042)
	\$ (22,501,906)

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 167 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). Effective July 1, 2018 the System added a Medicare Advantage Plan Option. Active members, retirees and the State pay equally toward the cost of the basic coverage) medical and prescription drug benefits under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018 retired members who cancel their health care coverage or elect not to enroll in CRTB sponsored health care coverage option must wait two years to re-enroll.

Town of Windsor, Connecticut

Notes to Financial Statements

Note 9. Other Post-Employment Benefits (Continued)

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.

Retirees

Retirees pay per monthly premiums.

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, 2019, 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	20,010,108
	<u>\$ 20,010,108</u>

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

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of (\$6,647,346) 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, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Healthcare costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25% – 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 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, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, 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 (0.27%).

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. No future state contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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,
2017-18	\$ 1,950,636	\$ 1,458,209	\$ 1,651,481	\$ 1,757,364
2018-19	1,757,364	2,060,862	2,173,287	1,644,939

Town - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2017-18	\$ 217,731	\$ 4,028,726	\$ 4,041,765	\$ 204,692
2018-19	204,692	4,203,636	4,202,756	205,572

BOE - Health / Medical	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30,
2017-18	\$ 485,192	\$ 9,206,403	\$ 9,260,972	\$ 430,623
2018-19	430,623	9,894,751	9,908,839	416,535

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, sewage collection, and disposal facilities for members), the Town is contingently liable for \$81,893,765 or 8.88% 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 \$34,123,000 reported as landfill closure and post-closure care liability at June 30, 2019, is \$697,000 less than the liability reported on June 30, 2018. This decrease, or adjustment in estimated closure costs accrued to date, directly increases the operating income for the Landfill Enterprise Fund in fiscal year 2019. These amounts are based on what it would cost to perform all closure and post-closure care at 2019 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)

During FY 19, the Leachate Collection and Treatment System was changed to a Leachate Collection and Outfall System. The construction cost estimate was therefore adjusted from \$4,300,000 to \$1,120,000. The annual operating and maintenance cost was also adjusted from \$425,000 to \$80,000 for the 30 year period. These adjustments were based on the most recent design and cost estimates to install a leachate collection outlet system to mitigate the discharge of visible iron precipitate leachate to the Farmington River rather than constructing a leachate collection and treatment system. The outlet design involves collection and discharge of the iron precipitate leachate through an outlet pipe and diffuser installed at the bottom of the river. The outlet design was developed in accordance with direction provided by the Connecticut Department of Energy and Environmental Protection (DEEP) in January 2018.

While this revised approach to addressing the leachate was developed in coordination with the CTDEEP, the public outreach and permitting phases for the design have not been completed. Based on these factors, we believe it may be more conservative from a fiscal planning perspective to maintain the previous cost estimates for another year until such time that the alternate system has been fully permitted.

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 Town's for closure of the landfill.

The landfill is currently operating under the State of Connecticut stewardship permit issued by the 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, 2019:

Landfill Fund	<u><u>\$ 9,923,676</u></u>
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The deficit will be funded using the Landfill Fund cash and investment earnings and principle and if needed, by the General Fund once the Landfill 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	\$ 26,697	\$ -	\$ 2,937
Prepaid expenses	-	-	1,039
Scholarship fund principal	-	-	13,000
Total nonspendable	26,697	-	16,976
Restricted:			
Scholarship funding	-	-	1,953
Library operations & recreation	-	-	67,718
Human services programs	-	-	220,067
Public safety programs	-	-	178,944
Road construction and maintenance	-	-	1,364,725
Community development block grant loans	-	-	1,957,503
Education	-	-	248,083
School capital improvements	-	77,030	-
Road and sidewalk construction and maintenance	-	681,804	-
Other capital projects	-	3,018,762	-
Other programs	-	-	62,709
Total restricted	-	3,777,596	4,101,702
Committed:			
Open space program	-	-	405,019
School capital improvements	-	1,961,675	-
Road and sidewalk construction and maintenance	-	1,947,175	-
Other capital projects	-	5,789,054	-
Debt Service	-	-	1,888,653
Total committed	-	9,697,904	2,293,672
Assigned:			
Subsequent year expenditures	900,000	-	-
Education	1,300,335	-	101,302
General government activities	271,751	-	-
Recreation programs	958,585	-	-
Clinic services	48,547	-	-
Public safety and police private duty	1,010,147	-	-
Building maintenance	346,272	-	-
Community development	-	-	627,525
Other capital projects	-	690,088	-
Total assigned	4,835,637	690,088	728,827
Unassigned	25,900,614	-	-
Total fund balance	\$ 30,762,948	\$ 14,165,588	\$ 7,141,177

Encumbrances contained in the above table are as follows: \$1,305,178 in the General Fund, \$6,841,420 in the Capital Projects Fund, and \$36,380 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 three entities as of June 30, 2019:

Company Name	Description	Percentage of Taxes Abated in FY19	Amount of Taxes Abated in FY19	Abatement Expires
Amazon.com Inc.	Fulfillment Center	65%	\$1,022,504	FY 22
Windsor Station	Apartment Complex	50%	178,487	FY 21
Leipold Inc.	Precision Manufacturer	30%	7,586	FY 20

Note 16. 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 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.
- **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.

Town of Windsor, Connecticut

Notes to Financial Statements

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

- **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.
- **GASB Statement No. 91, *Conduit Debt Obligations***. In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The Town is not an issuer of conduit debt, therefore this Statement will have no effect on its financial statements.

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**Required Supplementary
Information - Unaudited**

Town of Windsor, Connecticut

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

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment income*	2.54%	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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,340,704	\$ 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
Contributions in relation to the actuarially determined contribution	1,340,704	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
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	12,839,197	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
Contributions as a percentage of covered payroll	10.44%	8.87%	7.50%	6.85%	6.34%	8.23%	8.60%	8.46%	8.02%	5.38%

Town of Windsor, Connecticut

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

Changes in Net Pension Liability	2019	2018	2017	2016	2015	2014
Total pension liability:						
Service cost	\$ 984	\$ 1,019	\$ 1,042	\$ 1,090	\$ 1,145	\$ 1,206
Interest on total pension liability	5,908	5,767	5,597	5,385	5,193	4,973
Effect of plan changes	(1)	(16)	(59)	-	-	-
Effect of economic/demographic gains or (losses)	(380)	(457)	(253)	20	(179)	(41)
Effect of assumption changes or inputs	973	1,098	1,058	1,007	-	-
Benefit payments	(4,188)	(3,799)	(3,623)	(3,481)	(3,211)	(3,112)
Net change in total pension liability	3,296	3,612	3,762	4,021	2,948	3,026
Total pension liability, beginning	83,998	80,386	76,624	72,603	69,655	66,629
Total pension liability, ending (a)	87,294	83,998	80,386	76,624	72,603	69,655
Fiduciary net position:						
Employer contributions	\$ 1,341	\$ 1,195	\$ 1,055	\$ 1,027	\$ 998	\$ 1,312
Member contributions	543	563	599	509	613	618
Investment income net of investment expenses	1,723	4,142	8,124	(1,271)	931	9,135
Benefit payments	(4,188)	(3,799)	(3,623)	(3,481)	(3,211)	(3,112)
Administrative expenses	(19)	(19)	(15)	(19)	(13)	(58)
Net change in plan fiduciary net position	(600)	2,082	6,140	(3,235)	(682)	7,895
Fiduciary net position, beginning	69,471	67,389	61,249	64,485	65,167	57,272
Fiduciary net position, ending (b)	68,871	69,471	67,389	61,249	64,485	65,167
Net pension liability, ending = (a) - (b)	\$ 18,423	\$ 14,527	\$ 12,997	\$ 15,375	\$ 8,118	\$ 4,488
Fiduciary net position as a % of total pension liability	78.90%	82.71%	83.83%	79.93%	88.82%	93.56%
Covered payroll	\$ 12,839	\$ 13,489	\$ 14,057	\$ 14,983	\$ 15,744	\$ 15,947
Net pension liability as a % of covered payroll	143.49%	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 Five Fiscal Years**

Measurement Period Ended June 30,	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 967,336	\$ 961,140	\$ 846,628	\$ 839,857	\$ 914,805
Contribution in relation to the actuarially determined contribution	967,336	961,140	846,628	839,857	914,805
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	<u>\$5,756,938</u>	<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	16.80%	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 Five Fiscal Years**

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	3.90%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension (asset) liability	<u>\$ 10,340,925</u>	<u>\$ (2,671,406)</u>	<u>\$ (1,930,679)</u>	<u>\$ (3,332,712)</u>	<u>\$ (3,947,859)</u>
Town's covered payroll	<u>\$ 5,756,938</u>	<u>\$ 5,644,057</u>	<u>\$ 5,533,389</u>	<u>\$ 5,759,928</u>	<u>\$ 5,528,217</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>179.63%</u>	<u>-47.33%</u>	<u>-34.89%</u>	<u>-57.86%</u>	<u>-71.41%</u>
System fiduciary net position as a percentage of the total pension liability	<u>88.29%</u>	<u>91.68%</u>	<u>88.29%</u>	<u>92.72%</u>	<u>90.48%</u>

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 Five Fiscal Years**

	2019	2018	2017	2016	2015
Town's proportion of the net pension liability	0.0%	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	\$ 100,097,275	\$ 100,735,001	\$ 106,276,198	\$ 81,836,695	\$ 75,641,625
Total	\$ 100,097,275	\$ 100,735,001	\$ 106,276,198	\$ 81,836,695	\$ 75,641,625
Town's covered payroll	\$ 32,860,661	\$ 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%	0%
System fiduciary net position as a percentage of the total pension liability	55.93%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Change in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increases were adjusted to more closely 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 3,360,296	\$ 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
Contributions in relation to the actuarially determined contribution	2,226,427	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
Contribution deficiency (excess)	<u>\$ 1,133,869</u>	<u>\$ 3,273,952</u>	<u>\$ 2,472,992</u>	<u>\$ 4,168,793</u>	<u>\$ 3,703,713</u>	<u>\$ 5,591,000</u>	<u>\$ 5,211,000</u>	<u>\$ 5,398,000</u>	<u>\$ 5,051,000</u>	<u>\$ 5,100,000</u>
Covered payroll	\$ 46,133,025	\$ 45,660,809	\$ 45,660,809	\$ 44,515,553	\$ 44,515,553	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	4.83%	4.33%	5.28%	5.83%	5.83%	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 Three Fiscal Years***

	2019	2018	2017
Annual money-weighted rate of return, net of investment income*	6.47%	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 Three Fiscal Years***

Changes in Net OPEB Liability	OPEB Plan		
	2019	2018	2017
Total pension liability:			
Service cost	\$ 1,559	\$ 1,749	\$ 3,121
Interest	1,816	2,760	2,393
Differences between expected and actual experience	-	(28,317)	-
Changes in assumptions	2,501	(4,623)	(9,284)
Benefit payments, including refunds of member contributions	(1,626)	(1,476)	(1,961)
Net change in total OPEB liability	4,250	(29,907)	(5,731)
Total pension liability, beginning	46,167	76,074	81,805
Total OPEB liability, ending (a)	50,417	46,167	76,074
Fiduciary net position:			
Employer contributions	2,226	1,976	2,411
Investment (loss) income net of investment expenses	164	94	122
Benefit payments, including refunds of member contributions	(1,626)	(1,476)	(1,961)
Administrative expenses	(1)	(1)	(1)
Other	-	-	-
Net change in plan fiduciary net position	763	593	571
Fiduciary net position, beginning	1,930	1,337	766
Fiduciary net position, ending (b)	2,693	1,930	1,337
Net OPEB liability, ending = (a) - (b)	\$ 47,724	\$ 44,237	\$ 74,737
Fiduciary net position as a % of total OPEB liability	5.34%	4.18%	1.76%
Covered payroll	\$ 46,133	\$ 45,661	\$ 45,661
Net OPEB liability as a % of covered payroll	103.45%	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 Two Fiscal Years***

	2019	2018
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	-	-
State's proportionate share of the net OPEB liability associated with the Town	\$ 20,010,108	\$ 25,928,047
Total	\$ 20,010,108	\$ 25,928,047
Town's covered payroll	\$ 30,992,792	\$ 31,929,412
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	The plan was amended by the Board, effective July 1, 2018, during the January 11, 2018 meeting. The Board action added the Anthem Medicare Advantage Plan to the available options under the plan, changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a system sponsored healthcare plan for those who cancel their coverage or choose not to enroll in a healthcare coverage option on or after the effective date. These changes were communicated to retired members during the months leading up to a special open enrollment period that preceded the July 1, 2018 implementation date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the TOL as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age related annual percentage increases in expected annual per capita healthcare claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term healthcare cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the plan, but are expected to elect coverage for themselves and their spouses under a system-sponsored healthcare plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disablement mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred vested members who will become ineligible for future healthcare benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
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 ten years of information. Additional information will be added 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, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 97,360,030	\$ 97,360,030	\$ 99,113,332	\$ 1,753,302
Licenses and permits	625,960	625,960	1,266,280	640,320
Fines, forfeitures and penalties	36,000	36,000	35,008	(992)
Other agencies	108,370	108,370	124,455	16,085
Intergovernmental	14,557,240	14,557,240	14,555,450	(1,790)
Revenues from use of assets	1,048,830	1,048,830	1,634,411	585,581
Charges for services	583,500	583,500	1,094,734	511,234
Total revenues	114,319,930	114,319,930	117,823,670	3,503,740
Expenditures:				
Current:				
General government	1,015,240	1,015,240	952,939	62,301
Safety service	10,346,090	10,292,590	9,917,535	375,055
Public works	6,260,520	6,190,570	5,898,204	292,366
Health services	494,800	494,800	463,033	31,767
Human services	943,520	943,520	918,878	24,642
Recreation and leisure services	1,538,390	1,193,220	1,190,257	2,963
Education	69,068,800	68,945,200	68,861,976	83,224
Town support for education	5,229,500	2,610,850	2,559,482	51,368
Library services	1,678,840	1,678,840	1,640,776	38,064
Development services	1,318,030	1,318,030	1,275,979	42,051
Information services	491,270	491,270	474,865	16,405
Administrative services	2,313,740	2,311,740	2,265,018	46,722
General services	14,494,970	7,200,220	7,178,667	21,553
Total expenditures	115,193,710	104,686,090	103,597,609	1,088,481
Revenues over (under) expenditures	(873,780)	9,633,840	14,226,061	4,592,221
Other financing sources (uses):				
Transfers in	77,580	77,580	71,680	(5,900)
Transfers out*	(103,800)	(10,611,420)	(10,627,920)	(16,500)
Use of fund balance	-	(650,000)	(650,000)	-
Total other financing sources (uses)	(26,220)	(11,183,840)	(11,206,240)	(22,400)
Net change in budgetary fund balance	\$ (900,000)	\$ (1,550,000)	3,019,821	\$ 4,569,821
Budgetary fund balance, beginning			<u>23,807,490</u>	
Budgetary fund balance, ending			26,827,311	
Less:				
Inventory			(26,697)	
FY 20 appropriation of fund balance			(900,000)	
Unassigned fund balance, ending			<u>25,900,614</u>	
Unassigned, beginning			<u>22,868,466</u>	
Net change in unassigned fund balance			<u>\$ 3,032,148</u>	

See notes to required supplementary information.

* \$103,800 reflects Community Development Block Grant Fund.

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 \$650,000 as a result of fund balance and revenue appropriations during the year ended June 30, 2019. 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	\$ 124,250,763	\$ 121,253,395
State teachers retirement and OPEB payments made by State Department of Education on behalf of the Town, not recognized for budgetary purposes	(4,586,804)	(4,586,804)
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.	(1,768,609)	(1,917,636)
Encumbrances:		
June 30, 2018	-	(1,124,879)
June 30, 2019	-	1,251,453
Balance, budgetary basis	\$ 117,895,350	\$ 114,875,529

- 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, 2019

	Special Revenue		
	Educational Grant Programs	Cafeteria	Community Rehabilitation Program
Assets			
Cash and cash equivalents	\$ 2,775,930	\$ 195,512	\$ 517,014
Investments	-	-	110,899
Community rehabilitation loans, net	-	-	1,957,503
Accounts receivable	16,748	198,281	184,717
Prepays	-	-	-
Inventories	-	2,937	-
Total assets	\$ 2,792,678	\$ 396,730	\$ 2,770,133
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 537,328	\$ 37,956	\$ 388
Unearned revenue	367,600	-	-
Due to other funds	1,887,750	107,754	-
Total liabilities	2,792,678	145,710	388
Deferred inflows of resources:			
Unavailable revenue	-	-	184,717
Total deferred inflows of resources	-	-	184,717
Fund balances:			
Nonspendable	-	2,937	-
Restricted	-	248,083	1,957,503
Committed	-	-	-
Assigned	-	-	627,525
Total fund balances	-	251,020	2,585,028
Total liabilities and fund balances	\$ 2,792,678	\$ 396,730	\$ 2,770,133

J. Bartash Expendable Trust Fund	Special Revenue		Capital Project	Debt Service	Totals
	Treehouse Fund	Other Special Revenue Funds	Open Space	Debt Service Fund	
\$ 14,953	\$ 147,412	\$ 1,513,019	\$ 328,964	\$ 1,560,599	\$ 7,053,403
-	-	355,687	76,055	426,260	968,901
-	-	-	-	-	1,957,503
-	20,194	47,215	1,086,000	-	1,553,155
-	1,039	-	-	-	1,039
-	-	-	-	-	2,937
<u>\$ 14,953</u>	<u>\$ 168,645</u>	<u>\$ 1,915,921</u>	<u>\$ 1,491,019</u>	<u>\$ 1,986,859</u>	<u>\$ 11,536,938</u>
\$ -	\$ 681	\$ 21,758	\$ -	\$ 98,206	\$ 696,317
-	15,754	-	-	-	383,354
-	49,869	-	1,086,000	-	3,131,373
-	66,304	21,758	1,086,000	98,206	4,211,044
-	-	-	-	-	184,717
-	-	-	-	-	184,717
13,000	1,039	-	-	-	16,976
1,953	-	1,894,163	-	-	4,101,702
-	-	-	405,019	1,888,653	2,293,672
-	101,302	-	-	-	728,827
<u>14,953</u>	<u>102,341</u>	<u>1,894,163</u>	<u>405,019</u>	<u>1,888,653</u>	<u>7,141,177</u>
<u>\$ 14,953</u>	<u>\$ 168,645</u>	<u>\$ 1,915,921</u>	<u>\$ 1,491,019</u>	<u>\$ 1,986,859</u>	<u>\$ 11,536,938</u>

Town of Windsor, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2019

	Special Revenue		
	Educational Grant Programs	Cafeteria	Community Rehabilitation Program
Revenues:			
Intergovernmental	\$ 4,083,095	\$ 1,214,736	\$ -
Charges for services	-	-	1,868
Income from investments	-	-	14,844
Other	-	4,974	339
Sale of food	-	842,012	-
Total revenues	4,083,095	2,061,722	17,051
Expenditures:			
Education	4,083,095	2,144,052	-
General government	-	-	73,963
Culture and recreation	-	-	-
Human services	-	-	-
Public safety	-	-	-
Public works	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
Total expenditures	4,083,095	2,144,052	73,963
Revenues over (under) expenditures	-	(82,330)	(56,912)
Other financing sources (uses):			
Transfers in	-	-	103,800
Transfers out	-	-	-
Premium on bonds issued	-	-	-
Total other financing sources (uses)	-	-	103,800
Change in fund balances	-	(82,330)	46,888
Fund balances, beginning	-	333,350	2,538,140
Fund balances, ending	\$ -	\$ 251,020	\$ 2,585,028

J. Bartash Expendable Trust Fund	Special Revenue		Capital Projects	Debt Service	Totals
	Treehouse Fund	Other Special Revenue Funds	Open Space	Debt Service Fund	
\$ -	\$ -	\$ 698,961	\$ -	\$ -	\$ 5,996,792
-	529,325	66,086	4,006	-	601,285
183	-	25,320	7,090	-	47,437
-	120	100,158	-	-	105,591
-	-	-	-	-	842,012
183	529,445	890,525	11,096	-	7,593,117
300	545,602	-	-	-	6,773,049
-	-	106,515	-	-	180,478
-	-	65,571	-	-	65,571
-	-	126,183	-	-	126,183
-	-	77,359	-	-	77,359
-	-	295,851	-	-	295,851
-	-	-	-	6,015,000	6,015,000
-	-	-	-	1,052,791	1,052,791
-	-	-	65,000	-	65,000
300	545,602	671,479	65,000	7,067,791	14,651,282
(117)	(16,157)	219,046	(53,904)	(7,067,791)	(7,058,165)
-	-	-	200,000	7,180,230	7,484,030
-	-	(39,698)	-	-	(39,698)
-	-	-	-	451,386	451,386
-	-	(39,698)	200,000	7,631,616	7,895,718
(117)	(16,157)	179,348	146,096	563,825	837,553
15,070	118,498	1,714,815	258,923	1,324,828	6,303,624
\$ 14,953	\$ 102,341	\$ 1,894,163	\$ 405,019	\$ 1,888,653	\$ 7,141,177

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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 Center – Accounts for the operations of the Montessori School & Discovery Center which provides educational and day care services.

Caring Connection – Accounts for the operations of the Windsor Caring Connection which provides adult day care for frail and elderly clients in the Greater Hartford area.

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, 2019**

	Child Development	Caring Connection Adult Day Care	Resident Transfer Station	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 442,583	\$ -	\$ 376,213	\$ 818,796
Investments	120,886	-	102,758	223,644
Customer receivable, net	10,625	44,221	22,997	77,843
Total current assets	574,094	44,221	501,968	1,120,283
Noncurrent assets:				
Capital assets (net of accumulated depreciation)	7,000	1,929	-	8,929
Total assets	581,094	46,150	501,968	1,129,212
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	38,417	10,266	16,741	65,424
Unearned revenue	117,219	1,501	4,142	122,862
Due to the General Fund	-	25,374	-	25,374
Total current liabilities	155,636	37,141	20,883	213,660
Noncurrent liabilities:				
Compensated absences	23,779	4,663	-	28,442
Total noncurrent liabilities	23,779	4,663	-	28,442
Total liabilities	179,415	41,804	20,883	242,102
Net position:				
Net investment in capital assets	7,000	1,929	-	8,929
Unrestricted	394,679	2,417	481,085	878,181
Total net position	\$ 401,679	\$ 4,346	\$ 481,085	\$ 887,110

Town of Windsor, Connecticut

**Combining Statement of Revenues, Expenses and Changes in Fund Net Positions -
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019**

	Child Development	Caring Connection Adult Day Care	Resident Transfer Station	Total
Operating revenues:				
Charges for services	\$ 1,111,060	\$ 304,682	\$ 269,440	\$ 1,685,182
Operating expenses:				
Salaries and benefits	897,886	249,813	70,944	1,218,643
Depreciation	1,000	2,199	-	3,199
Administrative expenses	38,564	25,380	4,935	68,879
Repairs and maintenance	11,105	-	-	11,105
Fuel and utilities	16,340	3,337	13,478	33,155
Outside services	32,359	34,095	92,503	158,957
Rent expense	118,830	69,090	-	187,920
Total operating expenses	1,116,084	383,914	181,860	1,681,858
Operating income	(5,024)	(79,232)	87,580	3,324
Nonoperating revenues:				
Interest income	8,351	356	8,174	16,881
Intergovernmental revenue	-	14,113	-	14,113
Income before transfers	3,327	(64,763)	95,754	34,318
Transfers in	-	76,500	-	76,500
Transfers out	-	(71,680)	-	(71,680)
Change in net position	3,327	(59,943)	95,754	39,138
Net position, beginning of year	398,352	64,289	385,331	847,972
Net position, end of year	\$ 401,679	\$ 4,346	\$ 481,085	\$ 887,110

Town of Windsor, Connecticut

Combining Statement of Cash Flows - Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

	Child Development	Caring Connection Adult Day Care	Resident Transfer Station	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,200,403	\$ 306,845	\$ 260,000	\$ 1,767,248
Payments to suppliers	(210,815)	(131,823)	(111,246)	(453,884)
Payments to employees	(896,031)	(249,097)	(70,909)	(1,216,037)
Net cash provided by (used in) operating activities	93,557	(74,075)	77,845	97,327
Cash flows from noncapital financing activities:				
Intergovernmental revenue	-	14,113	-	14,113
Transfers in	-	76,500	-	76,500
Transfers out	-	(71,680)	-	(71,680)
Cash received from another fund	-	25,374	-	25,374
Net cash used in noncapital financing activities	-	44,307	-	44,307
Cash flows from investing activities:				
Interest received	8,351	356	8,174	16,881
Purchase of investments	(4,485)	-	(2,197)	(6,682)
Sale of investments	-	6,481	-	6,481
Net cash provided by (used in) investing activities	3,866	6,837	5,977	16,680
Net increase (decrease) in cash and cash equivalents	97,423	(22,931)	83,822	158,314
Cash and cash equivalents:				
Beginning	345,160	22,931	292,391	660,482
Ending	\$ 442,583	\$ -	\$ 376,213	\$ 818,796
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income	\$ (5,024)	\$ (79,232)	\$ 87,580	\$ 3,324
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	4,506	5,538	(13,241)	(3,197)
(Decrease) increase in accounts payable and accrued liabilities	8,238	795	(294)	8,739
(Decrease) increase in unearned revenue	84,837	(3,375)	3,800	85,262
Net cash provided by (used in) operating activities	\$ 93,557	\$ (74,075)	\$ 77,845	\$ 97,327

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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, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Student activity funds:				
Assets:				
Cash and cash equivalents	\$ 254,247	\$ 548,665	\$ 542,304	\$ 260,608
Liabilities:				
Accounts payable	\$ 254,247	\$ 548,665	\$ 542,304	\$ 260,608
Adult education:				
Assets:				
Cash and cash equivalents	\$ 29,373	\$ 34,379	\$ 24,658	\$ 39,094
Liabilities:				
Accounts payable	\$ 29,373	\$ 34,379	\$ 24,658	\$ 39,094
Performance bonds:				
Assets:				
Cash and cash equivalents	\$ 826,085	\$ 139,940	\$ 312,564	\$ 653,461
Liabilities:				
Accounts payable	\$ 826,085	\$ 139,940	\$ 312,564	\$ 653,461
Town escrow:				
Assets:				
Cash and cash equivalents	\$ 76,988	\$ 30,403	\$ 23,566	\$ 83,825
Liabilities:				
Accounts payable	\$ 76,988	\$ 30,403	\$ 23,566	\$ 83,825
Scholarship funds:				
Assets:				
Cash and cash equivalents	\$ 76,564	\$ 323	\$ 300	\$ 76,587
Liabilities:				
Accounts payable	\$ 76,564	\$ 323	\$ 300	\$ 76,587
Total agency funds:				
Assets:				
Cash and cash equivalents	\$ 1,263,257	\$ 753,710	\$ 903,392	\$ 1,113,575
Liabilities:				
Accounts payable	\$ 1,263,257	\$ 753,710	\$ 903,392	\$ 1,113,575

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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, 2019**

	Land	Buildings	Machinery and Equipment	Construction in Progress	Infrastructure	Totals
General government	\$ 2,894,519	\$ 2,586,821	\$ 1,884,658	\$ -	\$ -	\$ 7,365,998
Education	324,612	41,374,513	5,977,802	-	-	47,676,927
Culture and recreation	1,795,390	6,294,885	2,525,786	-	-	10,616,061
Human services	300,544	587,800	190,534	-	-	1,078,878
Public safety	312,078	6,778,433	3,499,980	-	-	10,590,491
Public works	1,407,141	3,035,574	1,631,875	11,757,700	18,374,600	36,206,890
Total	\$ 7,034,284	\$ 60,658,026	\$ 15,710,635	\$ 11,757,700	\$ 18,374,600	\$ 113,535,245

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Other Schedules

Town of Windsor, Connecticut

**Balance Sheet - By Account - General Fund
June 30, 2019**

	General Fund	Other Programs	Totals
Assets			
Cash and cash equivalents	\$ 27,180,651	\$ 1,584,047	\$ 28,764,698
Investments	7,424,279	504,038	7,928,317
Receivables (net of allowances for collection losses):			
Property taxes	962,832	-	962,832
Accounts receivable	49,334	88,111	137,445
Due from other funds	2,070,747	1,086,000	3,156,747
Inventories	26,697	-	26,697
Total assets	\$ 37,714,540	3,262,196	\$ 40,976,736
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,146,504	\$ 572,240	\$ 4,718,744
Total liabilities	4,146,504	572,240	4,718,744
Deferred inflows of resources:			
Advance tax collections	4,706,108	-	4,706,108
Unavailable resources	783,164	5,772	788,936
Total deferred inflows of resources	5,489,272	5,772	5,495,044
Fund balances:			
Nonspendable	26,697	-	26,697
Assigned	2,151,453	2,684,184	4,835,637
Unassigned	25,900,614	-	25,900,614
Total fund balances	28,078,764	2,684,184	30,762,948
Total liabilities, deferred inflows of resources and fund balances	\$ 37,714,540	\$ 3,262,196	\$ 40,976,736

Town of Windsor, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance - By Account - General Fund
For the Year Ended June 30, 2019

	General Fund	Other Programs	Eliminate Interfund Receivables	Totals
Revenues:				
Property taxes	\$ 99,113,331	\$ -	\$ -	\$ 99,113,331
State and Federal governments	19,229,990	-	-	19,229,990
Charges for services	2,851,881	1,730,030	-	4,581,911
Investment income	1,215,272	38,579	-	1,253,851
Total revenues	122,410,474	1,768,609	-	124,179,083
Expenditures:				
Current:				
Education	73,299,212	22,345	-	73,321,557
General government	13,748,782	142,681	-	13,891,463
Culture and recreation	2,910,803	1,545,454	-	4,456,257
Human services	1,381,911	91,504	-	1,473,415
Public safety	10,240,298	596,457	-	10,836,755
Public works	6,476,833	186,585	-	6,663,418
Total expenditures	108,057,839	2,585,026	-	110,642,865
Revenues over (under) expenditures	14,352,635	(816,417)	-	13,536,218
Other financing sources (uses):				
Transfers in	71,680	667,390	(667,390)	71,680
Transfers out	(11,277,920)	-	667,390	(10,610,530)
Net other financing sources (uses)	(11,206,240)	667,390	-	(10,538,850)
Net change in fund balances	3,146,395	(149,027)	-	2,997,368
Fund balances, beginning	24,932,369	2,833,211	-	27,765,580
Fund balances, ending	\$ 28,078,764	\$ 2,684,184	\$ -	\$ 30,762,948

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Town of Windsor, Connecticut

**Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2019**

Grand List Year	Balance Uncollected July 1, 2018	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
2017	\$ -	\$ 98,305,607	\$ 384,788	\$ (367,966)	\$ -	\$ 98,322,429
2016	911,979	-	154,346	(75,278)	-	991,047
2015	383,329	-	39,764	(5,627)	(170,277)	247,189
2014	60,412	-	311	-	(199)	60,524
2013	25,659	-	-	-	-	25,659
2012	18,706	-	-	-	-	18,706
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
	<u>\$ 1,422,294</u>	<u>\$ 98,305,607</u>	<u>\$ 579,209</u>	<u>\$ (448,871)</u>	<u>\$ (170,476)</u>	<u>\$ 99,687,763</u>

Less allowance for doubtful accounts

Suspense collections

Total collections

Collections					Balance
Taxes	Interest	Fees	Total		Uncollected
					June 30, 2019
\$ 97,366,622	\$ 312,556	\$ 762	\$ 97,679,940	\$	955,807
682,502	182,732	1,807	867,041		308,545
221,131	91,770	912	313,813		26,058
46,680	27,956	504	75,140		13,843
20,490	14,775	192	35,457		5,169
13,822	13,318	144	27,284		4,884
1,966	1,300	48	3,314		4,661
5	7	24	36		5,110
-	-	-	-		2,002
-	-	-	-		2,225
-	-	-	-		1,934
-	-	-	-		1,589
-	-	-	-		996
-	-	-	-		877
-	-	-	-		844
98,353,218	644,414	4,393	99,002,025		1,334,544
					672,517
					<u>\$ 662,027</u>
62,463	51,255	-	113,718		
<u>\$ 98,415,681</u>	<u>\$ 695,669</u>	<u>\$ 4,393</u>	<u>\$ 99,115,743</u>		

Town of Windsor, Connecticut

**Schedule of Changes in Bond Indebtedness
For the Year Ended June 30, 2019**

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
Public improvements	2.0/5.0	2019	6/15/2039	8,085,000
School general obligation bond	2.0/5.0	2019	6/15/2039	1,915,000
Total				

Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
365,000	-	-	365,000
2,390,000	-	341,000	2,049,000
555,000	-	79,000	476,000
2,210,000	-	370,000	1,840,000
810,000	-	130,000	680,000
3,068,000	-	506,000	2,562,000
847,000	-	164,000	683,000
2,365,000	-	265,000	2,100,000
1,655,000	-	185,000	1,470,000
3,135,000	-	315,000	2,820,000
430,000	-	45,000	385,000
4,047,000	-	213,000	3,834,000
1,603,000	-	82,000	1,521,000
5,395,000	-	1,573,000	3,822,000
3,465,000	-	1,297,000	2,168,000
3,135,000	-	195,000	2,940,000
3,630,000	-	255,000	3,375,000
-	8,085,000	-	8,085,000
-	1,915,000	-	1,915,000
\$ 39,105,000	\$ 10,000,000	\$ 6,015,000	\$ 43,090,000

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Statistical Section

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			
	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 64,077,359	\$ 64,665,367	\$ 64,624,458	\$ 65,895,067
Restricted	1,733,293	3,130,557	3,089,246	3,417,624
Unrestricted	19,347,287	16,317,739	10,227,152	7,068,714
Total governmental activities net position	\$ 85,157,939	\$ 84,113,663	\$ 77,940,856	\$ 76,381,405
Business-type activities:				
Net investment in capital assets	\$ 176,810	\$ 185,613	\$ 210,947	\$ 191,295
Unrestricted	(7,294,876)	(6,924,285)	(6,207,178)	(5,735,536)
Total business-type activities net position	\$ (7,118,066)	\$ (6,738,672)	\$ (5,996,231)	\$ (5,544,241)
Primary government:				
Net investment in capital assets	\$ 64,254,169	\$ 64,850,980	\$ 64,835,405	\$ 66,086,362
Restricted	1,733,293	3,130,557	3,089,246	3,417,624
Unrestricted	12,052,411	9,393,454	4,019,974	1,333,178
Total primary government net position	\$ 78,039,873	\$ 77,374,991	\$ 71,944,625	\$ 70,837,164

*Restated due to GASB Statement No. 68 implementation.

**Restated due to MERS Plan restatement.

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

Fiscal Year					
2014*	2015**	2016	2017***	2018	2019
\$ 66,129,757	\$ 70,911,291	\$ 68,217,968	\$ 65,944,467	\$ 71,041,699	\$ 73,143,607
3,569,440	3,744,430	7,080,625	6,011,960	6,810,950	4,101,702
(1,528,250)	(781,806)	(4,071,905)	(32,968,032)	(30,249,220)	(33,779,363)
<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>	<u>\$ 43,465,946</u>
\$ 168,583	\$ 147,456	\$ 139,298	\$ 125,601	\$ 95,726	\$ 159,232
(6,546,422)	(7,830,016)	(8,862,652)	(9,126,161)	(8,912,912)	(9,195,798)
<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>	<u>\$ (9,036,566)</u>
\$ 66,298,340	\$ 71,058,747	\$ 68,357,266	\$ 66,070,068	\$ 71,137,425	\$ 73,302,839
3,569,440	3,744,430	7,080,625	6,011,960	6,810,950	4,101,702
(8,074,672)	(8,611,822)	(12,934,557)	(42,094,193)	(39,162,132)	(42,975,161)
<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>	<u>\$ 34,429,380</u>

Town of Windsor, Connecticut

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

	Fiscal Year			
	2010	2011	2012	2013
Expenses:				
Governmental activities:				
General government	\$ 10,039,998	\$ 11,524,755	\$ 14,012,409	\$ 12,509,058
Culture & recreation	4,008,350	4,109,577	4,274,494	4,334,836
Human services	1,614,335	1,508,514	2,430,368	1,722,063
Public works	6,635,927	7,056,984	6,807,050	6,989,982
Education	77,319,195	77,130,965	79,446,961	80,084,866
Public safety	9,653,396	10,150,274	10,603,500	11,087,007
Interest expense	1,255,397	1,146,445	1,075,256	989,601
Total governmental activities expenses	110,526,598	112,627,514	118,650,038	117,717,413
Business-type activities:				
Landfill	3,112,891	2,322,740	1,821,531	1,593,477
Child development	1,233,772	1,295,539	1,303,193	1,276,546
Adult caring connection	567,145	542,844	513,605	494,153
Resident transfer station	-	-	-	-
Total business-type activities	4,913,808	4,161,123	3,638,329	3,364,176
Total primary government expenses	115,440,406	116,788,637	122,288,367	121,081,589
Program revenue:				
Governmental activities:				
Charges for services:				
General government	2,020,464	1,640,657	1,322,126	2,426,776
Culture & recreation	629,783	715,831	836,456	826,727
Human services	121,849	150,042	114,084	149,199
Public works	38,486	225,617	146,472	154,782
Education	1,625,059	1,446,583	1,509,314	1,424,881
Public safety	267,033	135,567	694,937	528,477
Operating grants and contributions:				
General government	192,777	374,059	506,112	662,643
Culture & recreation	357,582	238,632	36,281	64,936
Human services	86,126	136,100	948,437	440,029
Public works	21,880	221,571	206,719	205,209
Education	21,675,907	22,139,906	23,131,847	23,071,655
Public safety	171,307	169,971	130,439	107,447
Capital grants and contributions:				
General government	576,881	212,479	66,299	58,423
Public works	128,936	262,473	329,573	250,847
Education	679,628	-	-	-
Total governmental activities program revenue	28,593,698	28,069,488	29,979,096	30,372,031

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 12,404,563	\$ 13,781,510	\$ 14,169,618	\$ 15,847,191	\$ 13,095,473	\$ 14,158,437	
4,241,754	4,361,987	4,707,146	4,691,078	4,797,542	5,163,424	
1,540,362	1,766,951	1,972,768	1,975,787	2,045,940	2,069,064	
7,181,146	7,451,758	7,282,125	7,470,759	7,350,211	7,615,656	
83,699,815	82,801,054	85,834,050	92,216,846	88,865,183	84,241,067	
11,443,091	11,300,247	11,516,901	10,902,168	1,958,905	22,391,813	
1,081,963	1,150,460	790,090	817,380	904,819	906,838	
121,592,694	122,613,967	126,272,698	133,921,209	119,018,073	136,546,299	
2,203,146	1,602,390	1,505,063	618,870	91,148	984,201	
1,240,443	1,188,261	1,052,599	1,101,946	1,080,290	1,116,084	
505,725	494,255	487,210	444,144	388,631	383,914	
-	117,647	145,921	177,151	201,134	181,860	
3,949,314	3,402,553	3,190,793	2,342,111	1,761,203	2,666,059	
125,542,008	126,016,520	129,463,491	136,263,320	120,779,276	139,212,358	
2,342,563	1,492,815	1,488,200	1,840,678	1,242,023	1,850,331	
1,001,011	1,353,217	1,375,165	1,822,448	1,399,222	1,467,736	
101,367	122,366	122,016	136,157	167,603	176,005	
227,409	774,638	164,682	179,225	188,287	191,398	
1,300,935	1,324,733	1,368,739	1,428,836	1,449,506	1,581,359	
1,025,507	845,582	522,184	612,130	621,813	758,379	
103,481	122,252	167,257	280,513	5,000	6,500	
35,568	35,524	38,316	36,210	40,813	40,335	
144,508	217,837	198,672	124,629	90,366	113,664	
406,698	407,134	407,465	406,033	404,907	404,900	
25,296,510	25,687,542	25,846,211	30,571,750	30,507,921	22,604,759	
89,448	18,875	77,300	69,463	161,730	133,562	
-	-	-	-	1,086,000	-	
1,691,839	1,153,113	446,223	2,447,040	3,002,468	452,339	
-	-	-	-	-	-	
33,766,844	33,555,628	32,222,430	39,955,112	40,367,659	29,781,267	

(Continued)

Town of Windsor, Connecticut

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

	Fiscal Year			
	2010	2011	2012	2013
Business-type activities:				
Charges for services:				
Landfill	\$ 2,544,966	\$ 2,595,208	\$ 2,521,914	\$ 2,031,394
Child development	1,236,607	1,324,437	1,254,844	1,282,770
Adult caring connection	743,707	635,673	623,817	529,323
Resident transfer station	-	-	-	-
Operating grants and contributions:				
Landfill	-	-	-	-
Adult caring connection	-	-	-	-
Total business-type activities program revenues	4,525,280	4,555,318	4,400,575	3,843,487
Total primary government program revenues	33,118,978	32,624,806	34,379,671	34,215,518
Net (expense) revenue:				
Governmental activities	(81,932,900)	(84,558,026)	(88,670,942)	(87,345,382)
Business-type activities	(388,528)	394,195	762,246	479,311
Total primary government net expense	(82,321,428)	(84,163,831)	(87,908,696)	(86,866,071)
General revenues and other changes in net positions:				
Governmental activities:				
Property taxes	75,411,646	78,391,639	79,945,496	81,938,005
Grants and contributions not restricted to specific programs	2,572,815	1,997,469	1,886,647	1,797,584
Unrestricted investment earnings	271,212	290,418	331,148	169,312
Miscellaneous	1,280,440	2,278,004	194,859	-
Insurance recovery	-	413,000	-	1,735,880
Transfers	142,590	143,220	139,985	145,150
Total governmental activities	79,678,703	83,513,750	82,498,135	85,785,931
Business-type activities:				
Unrestricted investment earnings	280,512	128,419	120,180	117,829
Transfers	(142,590)	(143,220)	(139,985)	(145,150)
Total business-type activities	137,922	(14,801)	(19,805)	(27,321)
Total primary government	79,816,625	83,498,949	82,478,330	85,758,610
Extraordinary				
State Teachers' on-behalf payments	-	-	-	-
State Teachers' on-behalf revenue	-	-	-	-
Total	-	-	-	-
Changes in net positions:				
Governmental activities	(2,254,197)	(1,044,276)	(6,172,807)	(1,559,451)
Business-type activities	(250,606)	379,394	742,441	451,990
Total primary government	\$ (2,504,803)	\$ (664,882)	\$ (5,430,366)	\$ (1,107,461)

(Continued)

		Fiscal Year									
		2014	2015	2016	2017	2018	2019				
\$	1,515,475	\$	4,021	\$	16,009	\$	20,001	\$	-	\$	-
	1,135,806		1,160,654		1,089,127		1,094,802		1,086,171		1,111,060
	457,350		389,514		450,090		385,543		393,848		304,682
	-		262,247		254,880		239,210		265,491		269,440
	-		160,704		174,673		209,629		-		309,679
	-		-		-		-		18,971		14,113
	3,108,631		1,977,140		1,984,779		1,949,185		1,764,481		2,008,974
	36,875,475		35,532,768		34,207,209		41,904,297		42,132,140		2,008,974
	(87,825,850)		(89,058,339)		(94,050,268)		(93,966,097)		(88,650,414)		(106,765,032)
	(840,683)		(1,425,413)		(1,206,014)		(392,926)		3,278		(657,085)
	(88,666,533)		(90,483,752)		(95,256,282)		(94,359,023)		(88,647,136)		(107,422,117)
	83,295,005		87,108,437		89,289,617		93,461,020		94,276,054		98,946,169
	1,770,956		1,803,815		1,776,947		2,337,418		1,814,571		1,923,062
	158,936		154,803		200,456		332,887		774,855		1,581,244
	253,291		220,812		205,087		471,937		326,338		181,894
	-		-		-		-		-		-
	105,510		(26,960)		(69,066)		(36,748)		73,630		(4,820)
	85,583,698		89,260,907		91,403,041		96,566,514		97,265,448		102,627,549
	112,595		93,732		96,154		121,972		253,726		432,885
	(105,510)		26,960		69,066		36,748		(73,630)		4,820
	7,085		120,692		165,220		158,720		180,096		437,705
	85,590,783		89,381,599		91,568,261		96,725,234		97,445,544		103,065,254
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	(2,242,152)		202,568		(2,647,227)		2,600,417		8,615,034		(4,137,483)
	(833,598)		(1,304,721)		(1,040,794)		(277,206)		183,374		(219,380)
\$	(3,075,750)	\$	(1,102,153)	\$	(3,688,021)	\$	2,323,211	\$	8,798,408	\$	(4,356,863)

Town of Windsor, Connecticut

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

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
General government	\$ 2,790,122	\$ 2,227,195	\$ 1,894,537	\$ 3,147,842
Culture & recreation	987,365	954,463	872,737	891,663
Human services	207,975	286,142	1,062,521	589,228
Public works	189,302	709,661	682,764	610,838
Education	23,980,594	23,586,489	24,641,161	24,496,536
Public safety	438,340	305,538	825,376	635,924
Total governmental activities	28,593,698	28,069,488	29,979,096	30,372,031
Business-type activities:				
Landfill	2,544,966	2,595,208	2,521,914	2,031,394
Child development	1,236,607	1,324,437	1,254,844	1,282,770
Adult caring connection	743,707	635,673	623,817	529,323
Resident transfer station	-	-	-	-
Total business-type activities	4,525,280	4,555,318	4,400,575	3,843,487
Total government	\$ 33,118,978	\$ 32,624,806	\$ 34,379,671	\$ 34,215,518

Fiscal Year						
	2014	2015	2016	2017	2018	2019
\$	2,446,044	\$ 1,615,067	\$ 1,655,457	\$ 2,121,191	\$ 2,333,023	\$ 1,856,831
	1,036,579	1,388,741	1,413,481	1,858,658	1,440,035	1,508,071
	245,875	340,203	320,688	260,786	257,969	289,669
	2,325,946	2,334,885	1,018,370	3,032,298	3,595,662	1,048,637
	26,597,445	27,012,275	27,214,950	32,000,586	31,957,427	24,186,118
	1,114,955	864,457	599,484	681,593	783,543	891,941
	33,766,844	33,555,628	32,222,430	39,955,112	40,367,659	29,781,267
	1,515,475	164,725	190,682	229,630	-	309,679
	1,135,806	1,160,654	1,089,127	1,094,802	1,086,171	1,111,060
	457,350	389,514	450,090	385,543	412,819	318,795
	-	262,247	254,880	239,210	265,491	269,440
	3,108,631	1,977,140	1,984,779	1,949,185	1,764,481	2,008,974
\$	36,875,475	\$ 35,532,768	\$ 34,207,209	\$ 41,904,297	\$ 42,132,140	\$ 31,790,241

Town of Windsor, Connecticut

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

	Fiscal Year			
	2010	2011	2012	2013
General Fund:				
Nonspendable	\$ -	\$ 35,544	\$ 48,934	\$ 42,679
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	3,395,259	3,238,973	3,939,957
Unassigned	-	14,938,155	15,316,230	16,928,714
Reserved/designated	1,278,080	-	-	-
Unreserved	14,279,843	-	-	-
Total General Fund	\$ 15,557,923	\$ 18,368,958	\$ 18,604,137	\$ 20,911,350
All other governmental funds:				
Nonspendable	\$ -	\$ 21,305	\$ 21,243	\$ 22,540
Restricted	-	5,870,907	6,678,693	9,485,602
Committed	-	3,614,944	3,683,551	2,755,322
Assigned	-	1,537,355	1,044,687	1,193,709
Unassigned	-	(6,370)	-	-
Reserved	7,846,160	-	-	-
Unreserved, reported in:				
Special revenue funds	4,220,432	-	-	-
Debt service funds	668,453	-	-	-
Capital projects funds	1,010,734	-	-	-
Total all other government funds	\$ 13,745,779	\$ 11,038,141	\$ 11,428,174	\$ 13,457,173

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 46,154	\$ 31,213	\$ 21,599	\$ 661,842	\$ 39,024	\$ 26,697
-	-	-	-	-	-
-	-	-	-	-	-
3,795,689	4,621,032	4,727,980	4,174,638	4,858,090	4,835,637
17,347,987	18,974,637	19,642,852	20,330,482	22,868,466	25,900,614
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 21,189,830</u>	<u>\$ 23,626,882</u>	<u>\$ 24,392,431</u>	<u>\$ 25,166,962</u>	<u>\$ 27,765,580</u>	<u>\$ 30,762,948</u>
\$ 16,642	\$ 22,215	\$ 22,102	\$ 32,940	\$ 29,496	\$ 16,976
7,270,412	7,609,527	5,908,543	4,706,391	6,520,344	7,879,298
6,467,975	6,834,753	5,780,688	10,667,502	10,683,213	11,991,576
733,674	988,230	1,305,355	1,082,407	1,548,452	1,418,915
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,488,703</u>	<u>\$ 15,454,725</u>	<u>\$ 13,016,688</u>	<u>\$ 16,489,240</u>	<u>\$ 18,781,505</u>	<u>\$ 21,306,765</u>

Town of Windsor, Connecticut

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

	Fiscal Year			
	2010	2011	2012	2013
Revenues:				
Property taxes	\$ 75,182,401	\$ 78,440,338	\$ 79,806,333	\$ 82,159,015
Intergovernmental	26,801,211	25,995,554	28,686,687	26,822,777
Charges for services	4,702,674	5,003,747	4,623,388	5,721,974
Investment income	271,212	290,418	194,860	169,312
Other	1,233,260	286,661	206,442	72,768
Total revenues	108,190,758	110,016,718	113,517,710	114,945,846
Expenditures:				
Education	70,143,336	70,279,262	73,153,239	73,118,294
General government	10,573,779	11,622,565	11,195,751	11,967,491
Culture & recreation	3,584,459	3,696,330	3,806,551	3,821,475
Human services	1,451,375	1,518,488	2,302,111	1,546,568
Public safety	8,730,084	9,436,083	9,404,783	9,616,596
Public works	5,622,128	6,064,157	5,587,772	5,771,330
Capital outlay	4,310,522	5,997,630	6,244,402	6,085,860
Debt service:				
Principal	4,500,000	4,735,000	4,505,000	4,365,000
Interest	1,359,963	1,285,144	1,420,093	1,361,409
Total expenditures	110,275,646	114,634,659	117,619,702	117,654,023
Excess of revenues over (under) expenditures	(2,084,888)	(4,617,941)	(4,101,992)	(2,708,177)
Other financing sources (uses):				
Transfers in	6,859,290	6,508,008	8,141,148	6,364,650
Transfers out	(6,716,700)	(6,364,788)	(8,001,163)	(6,219,500)
Issuance of long-term debt	4,680,000	4,490,000	4,490,000	5,035,000
Proceeds of refunding bonds	12,305,000	-	-	-
Payment to refunded bond escrow agent	(13,442,569)	-	-	-
Premium on long-term debt	1,525,219	88,118	97,219	128,359
Insurance recoveries	-	-	-	1,735,880
Total other financing sources (uses)	5,210,240	4,721,338	4,727,204	7,044,389
Net changes in fund balance	\$ 3,125,352	\$ 103,397	\$ 625,212	\$ 4,336,212
Debt service as a percentage of noncapital expenditures	5.9%	5.6%	5.2%	5.2%

Fiscal Year						
	2014	2015	2016	2017	2018	2019
\$	82,937,213	\$ 87,600,034	\$ 89,012,808	\$ 93,636,439	\$ 94,339,805	\$ 99,113,331
	29,594,262	29,500,467	28,777,471	36,453,976	37,113,776	25,627,121
	5,998,792	5,913,351	5,040,986	6,019,474	5,068,454	6,025,208
	158,936	154,803	200,456	332,887	774,855	1,447,381
	347,997	283,220	214,172	260,590	367,186	169,337
	119,037,200	123,451,875	123,245,893	136,703,366	137,664,076	132,382,378
	76,288,375	78,222,280	79,577,619	86,836,134	85,742,516	80,094,606
	11,841,838	11,938,793	12,582,285	13,192,229	13,084,490	14,071,941
	3,832,003	3,846,283	4,134,822	4,076,044	4,188,632	4,521,828
	1,498,358	1,535,992	1,523,607	1,541,591	1,643,942	1,599,598
	10,469,289	10,253,191	10,340,556	10,379,319	10,522,969	10,914,114
	5,996,003	6,151,695	6,178,277	6,429,054	6,705,867	6,959,269
	6,991,841	7,307,067	8,241,327	9,224,113	10,948,815	12,017,169
	4,750,000	4,995,000	5,530,000	5,850,000	6,000,000	6,015,000
	1,385,301	1,206,403	1,142,435	1,134,205	927,469	1,052,791
	123,053,008	125,456,704	129,250,928	138,662,689	139,764,700	137,246,316
	(4,015,808)	(2,004,829)	(6,005,035)	(1,959,323)	(2,100,624)	(4,863,938)
	6,929,510	7,926,800	7,646,638	10,352,150	9,781,702	10,645,408
	(6,824,000)	(7,953,760)	(7,715,704)	(10,388,898)	(9,708,072)	(10,710,228)
	5,020,000	5,370,000	4,285,000	5,945,000	6,765,000	10,000,000
	4,270,000	-	-	-	-	-
	(4,600,334)	-	-	-	-	-
	530,642	64,863	116,613	(9,633,360)	152,877	451,386
	-	-	-	-	-	-
	5,325,818	5,407,903	4,332,547	(3,725,108)	6,991,507	10,386,566
\$	1,310,010	\$ 3,403,074	\$ (1,672,488)	\$ (5,684,431)	\$ 4,890,883	\$ 5,522,628
	5.3%	5.2%	5.5%	5.3%	5.4%	5.6%

Town of Windsor, Connecticut

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

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
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
2019	74,249,401	15,869,335	7,247,886	97,366,622

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
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
2019	1,437,373,400	469,816,814	380,029,370	29,622,110	563,852,588	210,480,857

Source: Town Assessor's Records

* Revaluation years

(1) Tax rate of 32.45 mills for FY19 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
\$ 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
3,091,175,139	2.54%	32.96	2,959,778,035	70.00%	4,228,254,336

Town of Windsor, Connecticut

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

Taxpayer	2019 (Grand List 10-1-16)			Taxpayer	2010 (Grand List 10-1-08)		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Deka Immobilien Investment (Amazon) \$	94,655,015	1	3.20%	Walgreens Eastern	\$ 63,005,731	1	2.15%
Walgreen Eastern	75,051,484	2	2.54%	Hartford Financial Corp	41,755,723	2	1.43%
Griffin Land & Affiliates	71,509,060	3	2.42%	Griffin Land & Affiliates	70,713,429	3	2.42%
Northeast Utilities & Affiliates	65,287,844	4	2.21%	IBM & Affiliates	67,773,044	4	2.32%
Voya Retirement Insurance	57,674,813	5	1.95%	ING	26,533,344	5	0.91%
CIGNA	53,185,948	6	1.80%	CIGNA	42,976,477	6	1.47%
Dollar Tree Distribution Inc	51,892,668	7	1.75%	Northeast Utilities & Affiliates	35,422,251	7	1.21%
Hartford Financial Corp	51,478,636	8	1.74%	Ferraina & Affiliates	25,698,914	8	0.88%
Cellco/Verizon Wireless	38,700,902	9	1.31%	GPT Windsor LLC/Rivers Bend Condos	25,408,260	9	0.87%
Addison Property Owner LLC	28,040,460	10	0.95%	Valassis & Affiliates	24,879,074	10	0.85%
Total	\$ 587,476,830		19.85%		\$ 424,166,247		14.51%

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
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
2019	2017	97,151,261	96,386,386	99.21

Source: Town Tax Records

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 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
682,502	92,861,942	99.95
-	96,386,386	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				
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
2019	44,195,691 ⁽¹⁾	-	44,195,691 ⁽¹⁾	1.49%	1,537	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, 2019
(unaudited)**

Governmental Unit	Debt Outstanding	Percentage Applicable	Estimated Shares of Direct and Overlapping Debt
Overlapping Debt			
Metropolitan District Commission	\$ 922,227,080	8.88%	\$ 81,893,765
Town Direct Debt	\$ 44,380,867 ⁽¹⁾	100.00%	<u>44,380,867</u>
Total direct and overlapping debt			<u><u>\$ 126,274,632</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			
	2010	2011	2012	2013
Debt Limit	\$ 526,352,659	\$ 548,417,030	\$ 558,620,279	\$ 575,584,195
Total Net Debt Applicable to Limit	38,999,068	41,172,198	41,436,366	42,990,371
Legal Debt Margin	\$ 487,353,591	\$ 507,244,832	\$ 517,183,913	\$ 532,593,824
Total net debt applicable to the limit as a percentage of debt limit	7.41%	7.51%	7.42%	7.47%

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 580,123,306	\$ 613,508,525	\$ 646,418,598	\$ 691,537,658	\$ 697,564,665	\$ 660,253,314
40,910,625	40,405,000	39,360,000	38,340,000	39,105,000	43,090,000
\$ 539,212,681	\$ 573,103,525	\$ 607,058,598	\$ 653,197,658	\$ 658,459,665	\$ 617,163,314
7.05%	6.59%	6.09%	5.54%	5.61%	6.53%

Town of Windsor, Connecticut

**Schedule of Debt Limitation
June 30, 2019
(unaudited)**

Total tax collections (including interest and lien fees)	\$ 94,321,902
Reimbursement for revenue loss Tax relief for elderly	<u>-</u>
Base	<u>\$ 94,321,902</u>
Debt Limit	<u><u>\$ 660,253,314</u></u>

	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
Debt Limitation					
2-1/4 times base	\$ 212,224,280	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	424,448,559	-	-	-
3-3/4 times base	-	-	353,707,133	-	-
3-1/4 times base	-	-	-	306,546,182	-
3 times base	-	-	-	-	282,965,706
Total debt limitation	<u>212,224,280</u>	<u>424,448,559</u>	<u>353,707,133</u>	<u>306,546,182</u>	<u>282,965,706</u>
Debt as defined by statute					
Bonds payable	30,417,000	12,673,000	-	-	-
Bond anticipation notes payable	11,970,000	-	-	-	-
School construction grants	-	-	-	-	-
Bonds authorized but not issued	<u>19,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>61,787,000</u>	<u>12,673,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Indebtedness	<u><u>\$ 150,437,280</u></u>	<u><u>\$ 411,775,559</u></u>	<u><u>\$ 353,707,133</u></u>	<u><u>\$ 306,546,182</u></u>	<u><u>\$ 282,965,706</u></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								
2010	29,014	\$ 38,730,000	\$ -	\$ 38,730,000	\$ 915,932	\$ 37,814,068	\$ 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	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	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	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	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	1,364	1,364	3,123	2,831,162,216	1.42%	1.42%	3.25%	
2016	29,016	38,520,000	450,000	38,970,000	-	38,970,000	1,343	1,343	4,081	2,849,933,303	1.37%	1.37%	4.15%	
2017	29,095	38,340,000	-	38,340,000	-	38,340,000	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	1,347	1,347	4,167	2,886,735,756	1.35%	1.35%	4.19%	
2019	28,760	43,090,000	11,970,000	55,060,000	-	55,060,000	1,914	1,914	4,762	2,959,778,035	1.86%	1.86%	4.63%	

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

(2) Gross taxable Grand List for FY 19 is \$2,959,778,035.

(3) Unamortized premium for 6/30/19 is \$1,105,691.

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)
2010	29,014	\$ 1,061,767	\$ 36,595	43.1	3,759	8.5%
2011	29,014	1,012,560	34,899	41.9	3,627	8.7%
2012	29,067	973,367	33,487	42.2	3,504	8.3%
2013	29,119	N/A	N/A	N/A	3,370	8.1%
2014	29,140	1,037,209	35,594	42.3	3,252	6.5%
2015	29,454	1,059,132	35,857	42.3	3,145	5.1%
2016	29,016	1,045,969	36,048	42.2	3,203	5.7%
2017	29,095	1,056,789	36,322	42.7	3,255	5.2%
2018	29,034	1,080,878	37,228	42.9	3,233	4.0%
2019	28,760	1,137,228	39,542	43.6	3,298	3.9%

(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	2019			Employer	2010		
	Employees	Rank	Percentage of Total Town Employment		Employees	Rank	Percentage of Total Town Employment
Hartford Life	1,800	1	6.68%	Hartford Life	2,100	1	8.88%
VOYA	1,700	2	6.30%	ING (Voya)	1,830	2	7.73%
Amazon.com	1,600	3	5.93%	Alstom Power Systems	1,350	3	5.71%
CIGNA	1,100	4	4.08%	Town of Windsor	820	4	3.47%
Town of Windsor	820	5	3.04%	Northeast Utilities	600	5	2.54%
Walgreens Co.	710	6	2.63%	Westinghouse Electric Company	520	6	2.20%
GE (Alstom)	650	7	2.41%	Konica Minolta	450	7	1.90%
Eversource	600	8	2.23%	Permasteelisa	400	8	1.69%
SS&C Technologies	500	9	1.85%	Cigna	400	9	1.69%
Waste Management	500	10	1.85%	SS&C Technologies	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			
	2010	2011	2012	2013
Police				
Administration	6.00	6.00	6.00	6.00
Support Services	10.00	7.50	9.00	9.00
Uniformed Patrol	47.60	48.60	40.00	39.00
Communications	N/A	N/A	7.60	7.60
Animal Control	1.00	1.00	1.00	1.10
Fire				
Fire and Rescue Services	1.00	1.00	1.00	1.00
Parks and Recreation				
Recreation	15.48	15.40	15.18	15.41
Youth Services Bureau	2.46	3.26	3.63	3.82
Northwest Park Education/Recreation	5.75	5.94	5.13	5.80
Northwest Park Facility/Property Mgt.	2.23	2.40	2.38	2.29
Human Services				
Senior Services	2.79	2.81	2.81	2.80
Transportation	6.24	5.95	6.00	5.80
Healthy People Program	N/A	N/A	N/A	N/A
Social Services	6.19	5.78	5.96	6.14
Health Services				
Inspection and Regulation	2.90	2.51	1.97	2.85
Disease Prevention and Control	1.48	1.38	1.34	1.48
Clinic Services	0.62	0.61	0.64	0.67
Emergency Management	0.00	0.00	0.00	0.00
Library Services				
Adult and Teen Services	10.84	10.94	10.79	10.64
Main Library	0.60	0.79	0.79	0.79
Children's Services	3.75	3.95	3.95	3.95
Wilson Services	3.23	3.23	3.23	3.23
Development Services				
Building Safety	6.13	6.47	6.09	6.00
Economic Development	1.16	1.11	1.09	1.04
Planning	4.00	4.00	4.00	3.70
Design Services	5.85	5.73	5.85	5.56
Public Works				
Administration	N/A	N/A	N/A	N/A
Design Services	N/A	N/A	N/A	N/A
Parks and Grounds	13.00	12.90	12.03	13.20
Facilities Management	3.30	3.35	3.35	3.60
Pavement	8.00	8.00	8.00	8.00
Stormwater Drainage	3.00	3.00	3.00	3.00
Traffic Safety and Community Support	7.00	7.00	6.58	7.00
Equipment Repair	3.40	2.84	3.40	3.40
Information Services				
Town Clerk	3.20	3.20	3.10	3.10
Public Relations	1.00	1.00	1.00	1.00
Administrative Services				
Financial Accounting and Reporting	7.40	7.03	7.03	6.67
Human Resources	3.00	3.07	3.00	3.00
Information Technology	3.00	3.00	3.00	3.00
Risk Management	1.00	1.00	1.00	1.00
Property Valuation	2.00	2.00	2.00	2.48
Tax Collection	2.54	2.62	2.80	2.79
General Government				
Town Manager	3.40	3.40	3.40	3.40
Town Treasurer	0.25	0.25	0.21	0.21
Total General Fund - Town	211.79	210.02	208.33	210.52
Board of Education	612.40	605.80	611.10	616.80
Total General Fund - Town	824.19	815.82	819.43	827.32

Full-Time Equivalent Employees as of June 30

2014	2015	2016	2017	2018	2019
6.00	6.00	6.50	7.00	6.50	6.91
9.00	9.00	7.33	7.78	8.00	9.00
39.00	41.50	41.69	41.94	41.50	36.00
7.77	7.60	8.10	8.60	8.60	8.00
1.10	1.10	1.10	1.10	1.10	1.10
1.00	1.00	1.00	1.00	1.00	1.00
15.98	16.99	17.79	18.36	18.97	21.37
3.55	3.10	2.94	3.54	3.88	4.02
5.75	6.00	5.90	6.71	6.74	6.70
2.13	2.06	1.99	1.99	2.03	1.80
3.07	3.08	3.08	3.08	3.08	3.17
5.68	5.91	6.08	6.00	6.08	6.06
N/A	NA	NA	N/A	N/A	N/A
6.13	6.23	6.01	6.23	6.10	5.89
2.90	3.00	2.74	3.23	3.31	3.19
1.48	1.47	1.46	1.45	1.42	1.35
0.62	0.63	0.63	0.60	0.63	0.50
0.00	0.00	0.00	0.00	0.00	0.00
10.64	10.84	10.64	10.64	10.64	11.13
0.79	0.79	0.79	0.79	0.79	0.76
3.95	3.75	3.95	3.95	3.95	3.94
3.11	3.23	3.23	3.23	3.23	3.18
6.00	6.00	5.81	6.08	6.10	6.23
1.10	1.16	1.16	1.16	1.16	1.26
3.82	4.00	4.00	4.00	4.00	3.85
5.68	5.70	5.20	5.65	0.00	0.00
N/A	N/A	N/A	N/A	4.56	3.93
N/A	N/A	N/A	N/A	5.65	4.45
12.99	13.20	13.20	13.20	12.95	12.66
3.60	3.25	3.55	4.56	4.80	3.97
7.73	8.00	7.84	6.00	3.81	4.72
3.00	3.00	3.00	5.00	5.00	4.00
7.00	7.00	6.75	6.00	4.75	4.53
3.40	3.45	3.45	3.56	3.72	4.01
3.02	3.10	2.88	3.10	2.86	2.67
1.00	1.00	1.00	1.00	1.00	1.00
6.65	6.68	6.40	6.33	6.82	6.69
3.00	3.00	3.48	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
2.53	2.53	2.55	2.55	2.45	2.28
2.90	2.99	2.90	2.90	2.90	2.87
3.40	3.40	3.40	3.28	2.90	2.80
0.21	0.21	0.21	N/A	N/A	N/A
210.68	214.95	213.73	218.59	219.98	213.99
635.30	640.30	619.80	624.20	619.30	619.30
845.98	855.25	833.53	842.79	839.28	833.29

(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			
	2010	2011	2012	2013
Landfill Enterprise Fund				
Landfill	7.60	6.70	6.15	6.65
Transfer Station	N/A	N/A	N/A	N/A
Adult Daycare Enterprise Fund				
Administration	1.08	1.80	1.48	1.48
Nursing	4.58	4.47	4.22	3.83
Social Work	1.08	N/A	N/A	N/A
Therapeutic Recreation	1.58	1.58	1.30	1.30
Child Development Enterprise Fund				
Infant/Toddler Programs	5.70	6.10	6.10	5.41
Preschool/Kindergarten Programs	9.80	9.40	9.40	9.59
Elementary Programs	3.35	3.35	3.35	3.19
Community Development				
Community Development (CDBG)	2.00	2.00	2.00	2.00
Total Other Funds	36.77	35.40	34.00	33.45
Total All Funds	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	2019
6.65	6.75	5.00	3.85	3.80	3.80
N/A	0.91	0.88	1.03	1.08	1.08
1.45	1.29	1.29	1.29	1.36	1.30
3.82	3.37	3.40	3.56	3.22	2.71
N/A	NA	NA	N/A	N/A	N/A
1.29	1.25	1.00	1.00	0.74	0.78
5.15	5.32	6.90	6.89	8.50	8.19
9.51	8.53	7.36	7.25	7.18	7.04
2.69	3.05	2.59	2.59	1.74	2.33
2.00	2.00	2.00	2.00	1.42	0.75
32.56	32.47	30.42	29.46	29.04	27.98
878.54	887.72	863.95	872.25	868.32	861.27

Town of Windsor, Connecticut

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

Function/Program	2010	2011	2012	2013
Public Safety				
Calls for service	60,100	53,677	51,847	48,128
Adult arrest	1,712	1,838	1,597	1,071
Juvenile arrest	69	92	177	113
Speeding citations only	N/A	N/A	196	496
Traffic citations	4,832	3,572	3,145	4,486
Total fire runs	1,031	1,080	972	936
Building safety				
Total Permits Issued	1,808	1,673	1,895	1,551
Total construction value all permits	\$ 76,261,429	\$ 48,760,775	\$ 32,801,790	\$ 132,583,363
Library, volumes in collection	124,667	129,448	160,502	163,532
Parks and Recreation				
Recreation program attendance	8,000	9,630	8,138	8,500
Aquatics program attendance	2,400	2,800	2,000	2,150
Total aquatic facility users	N/A	20,880	19,500	19,750

Source Town Records

N/A - Not Available.

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

2014	2015	2016	2017	2018	2019
49,105	48,832	40,765	31,473	30,449	34,320
1,111	637	652	630	428	478
97	100	85	52	35	51
311	936	351	411	452	499
3,322	3,692	1,916	955	2,034	2,380
963	1,142	1,131	717	-	-
1,856	1,987	2,217	1,990	2,056	2,052
\$ 126,240,054	\$ 57,791,878	\$ 54,610,634	\$ 85,361,667	\$ 82,057,327	\$ 95,604,062
168,332	168,312	157,144	148,660	127,029	147,868
12,000	12,965	13,365	13,020	14,443	15,500
2,500	2,200	2,200	2,325	2,475	2,625
21,000	18,000	18,000	17,750	18,250	19,450

Town of Windsor, Connecticut

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

Function/Program	2010	2011	2012	2013
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	19
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.

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
1	1	1	1	1	1
5	5	5	5	5	5
138	149.3	149.3	149.3	149.3	149.8
50	50	22	22	21	21
1,500	1,500	1,500	1,500	1,590	1,685
23	23	23	23	24	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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