

# TOWN OF SOUTH WINDSOR, CONNECTICUT



## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2017

# **Comprehensive Annual Financial Report**

**of the**

## **Town of South Windsor, Connecticut**

Fiscal Year Ended June 30, 2017

Finance Department

Patricia Perry  
Director of Finance

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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JUNE 30, 2017**

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# **Introductory Section**



## *Town of South Windsor*

1540 SULLIVAN AVENUE • SOUTH WINDSOR, CT 06074  
TELEPHONE (860) 644-2511

December 21, 2017

Mayor M. Saud Anwar  
Town Council Members  
Residents of South Windsor

The Comprehensive Annual Financial Report (CAFR) of the Town of South Windsor, Connecticut is respectfully submitted for your review and use. This report was prepared by the Town's Finance Department and it is the comprehensive publication of the Town's financial position and results for the fiscal year ended June 30, 2017. Connecticut State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year unless an extension has been requested and granted. This report is published to fulfill that requirement and to provide further accountability to citizens and other interested parties by providing a more comprehensive report in lieu of the minimum basic financial statements.

Town management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based upon a comprehensive framework of internal controls that it has established. Because the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion on the Town's financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

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

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

### **Town Profile**

The Town of South Windsor (the “Town”) was founded in 1633 as part of Windsor and in 1845 incorporated as a separate municipality. Throughout most of its history, the Town has been an agriculture community as a result of its fertile land and abundant water resources. Today, however, South Windsor affords a blend of residential living, retail, high-tech industry and open space.

Located just northeast of Hartford, the Town occupies 28.5 square miles bounded by East Windsor and Ellington to the north, Vernon to the east, Manchester and East Hartford to the south, and the Connecticut River to the west. The Town is located equidistant from New York City and Boston and is only 20 miles south of Springfield, Massachusetts. South Windsor has immediate access to interstates 84, 91, and 291 and is only minutes from Bradley International Airport. Freight lines connect the Town to the entire northeast corridor.

The Town of South Windsor has been organized under the Council-Manager form of government since 1960 with a nine-member Council elected at large (the “Town Council”). The legislative function is performed by a bipartisan Town Council of nine members, who are elected biennially for two-year terms. Minority political party representation is guaranteed in that no political party may have more than six members. The Town Council elects a Mayor from its membership for the two-year term. The Council appoints the Town Manager for an indefinite term. The Town Manager is the Chief Administrative Officer of the Town and serves at the pleasure of the Town Council. The Town Manager is appointed by the Town Council on the basis of professional executive training and other qualifications.

The Town Manager is directly responsible to the Council for planning, organizing and directing municipal activities, except schools and commissions appointed by the Council, and also serves as the Personnel Director.

The Town Manager appoints department heads; oversees the compliance of local laws and ordinances; provides recommendations and reports to the Council; prepares the annual budget and the annual report; keeps the Council advised on the Town’s financial condition; and performs other duties prescribed by Charter, ordinance or Council resolution.

The Town’s public school system provides a balanced curriculum for approximately 4,071 students. There are more than a dozen local colleges and universities in the area for both undergraduate and graduate studies. The public school system consists of five schools for pupils in grades Pre-K through 6, one middle school for pupils in grades 6-8 and one high school for pupils in grades 9-12. The schools are governed by a nine-member elected Board of Education.

The Town provides a full range of services to its citizens. These include: police and fire protection, emergency medical services; education; library services; public works (streets, waste disposal, engineering and infrastructure maintenance); parks and recreation (parks, athletic fields, and tennis courts); senior services and cultural events; health and welfare services and general administrative services.

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

South Windsor is a primarily residential community that features farm lands as well as desirable suburban real estate. The 2010 U.S. Census report shows that over half the employed population of the Town work in finance, insurance, educational and manufacturing occupations with over 51% of the working population having earned bachelor’s and advanced college degrees.

The Town has traditionally exhibited a lower unemployment rate compared to other towns in the area and this year is no exception. The 2016 annual average unemployment rate in South Windsor was 4.2% while in Tolland County it was 4.4%. The Town's unemployment rate is also significantly lower than the 2015 State annual average unemployment rate of 5.6% and national rate of 5.1%. All State rates are according to the Connecticut State Department of Labor and the National rate is provided by the U.S. Department of Labor.

South Windsor has a well-balanced, economically diverse mix of businesses and light manufacturing uses, commercial office buildings, medical facilities and retail space. Major employers include municipal, retail, healthcare services and light manufacturing companies. Notable economic development continues in South Windsor. The following list are completed projects or planned expansions.

- South Windsor Woods is a combination of free-standing homes, duplex style and townhomes. This new development of 150 units on 49 acres has 30 units currently occupied and active construction continues;
- School House Estates is a development of 14 new single family homes currently in construction approval process;
- Clark Estates Phase I was completed adding 18 units and Phase II will be completed in the fall 2017 adding an additional 22 units of single-family homes;
- The Estates at South Windsor is a Toll Brothers development of 43 new single family homes on 46 acres. Construction will begin late August 2017;
- The Village at Berry Path is a 78 unit apartment complex currently under construction;
- Hartford Truck Equipment, Inc. has approval for an expansion to add 10,000 sq.ft; and
- Aldi, Inc. has approval for a two-phase expansion plan that will add 180,000 sq. ft.

The Town is also home to the Promenade Shops at Evergreen Walk, which is an outdoor lifestyle center, containing more than 60 national and specialty retailers, pedestrian friendly promenade and restaurants. The center is currently expanding with a 20-acre 200,000 square foot development called Town Square. The apartment portion of this project, Tempo at Evergreen Walk, has completed five of the nine buildings that will provide 200 upscale one and two bedroom apartments. Evergreen Crossing, the 180 room Hotel is actively under construction. In addition to the above, there are additional residential developments under way and an approved hotel for construction. These projects are expected to be pro-rated on the 2016 grand list and add to significant 2017 grand list growth.

The Town's October 1, 2015 Net Taxable Grand List of \$2,602,708,150 represents an increase of 2.21% over previous fiscal year. Although primarily residential, the Town has developed a strong commercial base and strives to grow this segment, while balancing character, open space and protecting the town's historic farm character.

### **Long-Term Financial Planning**

In fiscal year 2017, the Town issued \$16,000,000 of anticipatory notes for the construction of the new Orchard Hill School and roadwork improvements and \$11,860,000 in general obligation bonds. The Town entered into capital leases for vehicles and computer equipment in the Town Hall Annex/Emergency Operations Center. In the next fiscal year the Town plans to issue debt to finance the completion of a new elementary school and continuation of roadwork / drainage improvements.



The Town maintains adequate unreserved fund balance to ensure consistent cash flow, generate interest income and offer flexibility for unanticipated opportunities. In addition, fiscally responsible budgeting has been key in maintaining the Town's strong bond rating of AA+ from Standard and Poor and Aa2 from Moody's. Each year the town adopts a capital improvement budget and prepares a 5-year capital plan. The Town continued to manage a number of projects including the following:

- Several major road projects, including Nevers Road, numerous pavement repairs and Avery Street-Phase II and III which will continue as a multi-year initiative. The Town actively pursues all State and Federal grant opportunities to supplement local funding for these projects to reduce the reliance on long-term debt.
- Completion of the Town Hall Annex/Emergency Operation Center occurred with a grand opening ceremony on November 9, 2016. A new roof, mechanicals and redesign of the former 8,800 square foot post office now provides additional office space for Building Maintenance, the Health Department, and Information Technology. It also houses Emergency Management staff and a state of the art command center.
- In October 2013, the Board of Education adopted the Elementary Facilities Ten-Year Master Plan to address our five aging elementary school buildings, which range in age from 51 to 63 years old. This plan stems from the 2011-2014 Strategic Plan which called for the development of a "long-range elementary facilities plan that promotes a safe, engaging learning environment accessible to all students and community members." The Plan calls for a three-phased approach using multiple referenda to address the elementary facilities needs over a span of ten years. Phase I was recently completed with the new Orchard Hill School opening in August 2017. The new building is 71,729 square feet, and houses students in grades K-5, as well as students enrolled in the Pre-School Outreach Program (POP). Phase II of the Ten-Year Elementary Facilities Master Plan calls for the construction of two new K-5 schools: Philip R. Smith Elementary and Eli Terry Elementary. The proposal was approved by the Town of South Windsor in a referendum held on March 21, 2017. Details regarding the new Philip R. Smith facility are as follows: A 58,243 square foot K-5 elementary school will be built on the site of the existing Philip R. Smith building. A 66,586 square foot K-5 elementary school will be built on the Eli Terry campus (includes districtwide specialized programs). Construction is expected to begin in spring 2019 and completed in summer 2020.

### **Accounting and Budgeting**

The Finance Department includes Accounting, Revenue Collection and Tax Assessment. In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits to be derived, and (2) the evaluation 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 to record transactions.

The accounts of the Town are organized in funds and accounted for on the Town's financial management system. Each fund operates with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Budgetary control of disbursements and encumbrances against appropriations is maintained by department, division or major activity. The Town also maintains an encumbrance accounting system as one technique towards accomplishing budgetary control.

The Town of South Windsor adopts its General Government Operating, Board of Education and Special Revenue Fund budgets in accordance with the provisions of its Charter and the Connecticut General Statutes. The adopted budgets cover the fiscal year beginning July 1 and ending June 30.

The Superintendent of South Windsor's Public Schools develops a district budget that recognizes the need to balance state and local constraints with the needs of the students. This budget is submitted to the South Windsor Board of Education. The Board of Education holds several work sessions to discuss the Superintendent's proposed budget, votes to approve a budget at its last regular meeting in February, and must submit a budget to the Town Council not later than March 15<sup>th</sup>.

A public hearing to receive citizen input on the proposed Town Manager's budget shall be held no later than May 7th. After the Town Council considers the recommendations from the public hearings, the Town Council modifies the budgets as it deems appropriate and adopts the General Government Operating, Board of Education and Special Revenue Fund budgets.

Annually, the Town Council adopts a five-year Capital Improvement Plan. This plan is reviewed and modified by the Capital Projects Committee as necessary. The Capital Projects Committee, which consists of elected officials and staff from both the Town and Board of Education, determines the priority of each project and decides which year the projects should be completed.

#### *Balanced Budget Requirement*

A balanced budget is one where revenues are equal to expenses. Section 706 of the Town Charter requires that the adopted budget be in balance. The Council shall determine the amount to be raised by taxes less other estimated income and surplus or deficit to pay the expenses of the Town for the year.

#### *Amendments and Additions to the Budget*

Adoption of the Town budget sets the appropriation for each item listed separately for each department, office or commission.

Budget transfers may be necessary for any one of several reasons. At times, objectives may be realigned requiring the corresponding realignment of resources. Transfers may also be needed as a result of actual expenditures that vary from original estimates. Section 711 of the Town Charter allows for transfers of any unencumbered appropriation. The Town Council has the authority to transfer amounts, except those of the Board of Education, between departments. Transfer of funds within the same department made by request by the Department Head with approval from the Town Manager.

Section 315 allows for the Town Council, by affirmative vote of not less than six members, to add to the annual budget appropriation a sum not to exceed \$25,000 in any one fiscal year. Any amount greater than \$25,000 that is not an emergency appropriation requires a public hearing.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the Town of South Windsor for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, who contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of American and applicable legal requirements.

A Certificate of Achievement for a CAFR is valid for a period of one year only. The Town of South Windsor believes our current report continues to conform to the Certificate of Achievement program requires, and we are submitting it to GFOA for consideration once again.

The GFOA also presented a Distinguished Budget Presentation Award to the Town of South Windsor for its annual budget for the fiscal year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. The Town has received a Distinguished Budget Award for three years. We believe our current budget continues to conform to program requirements, and have submitted it to GFOA to determine its eligibility for another year.

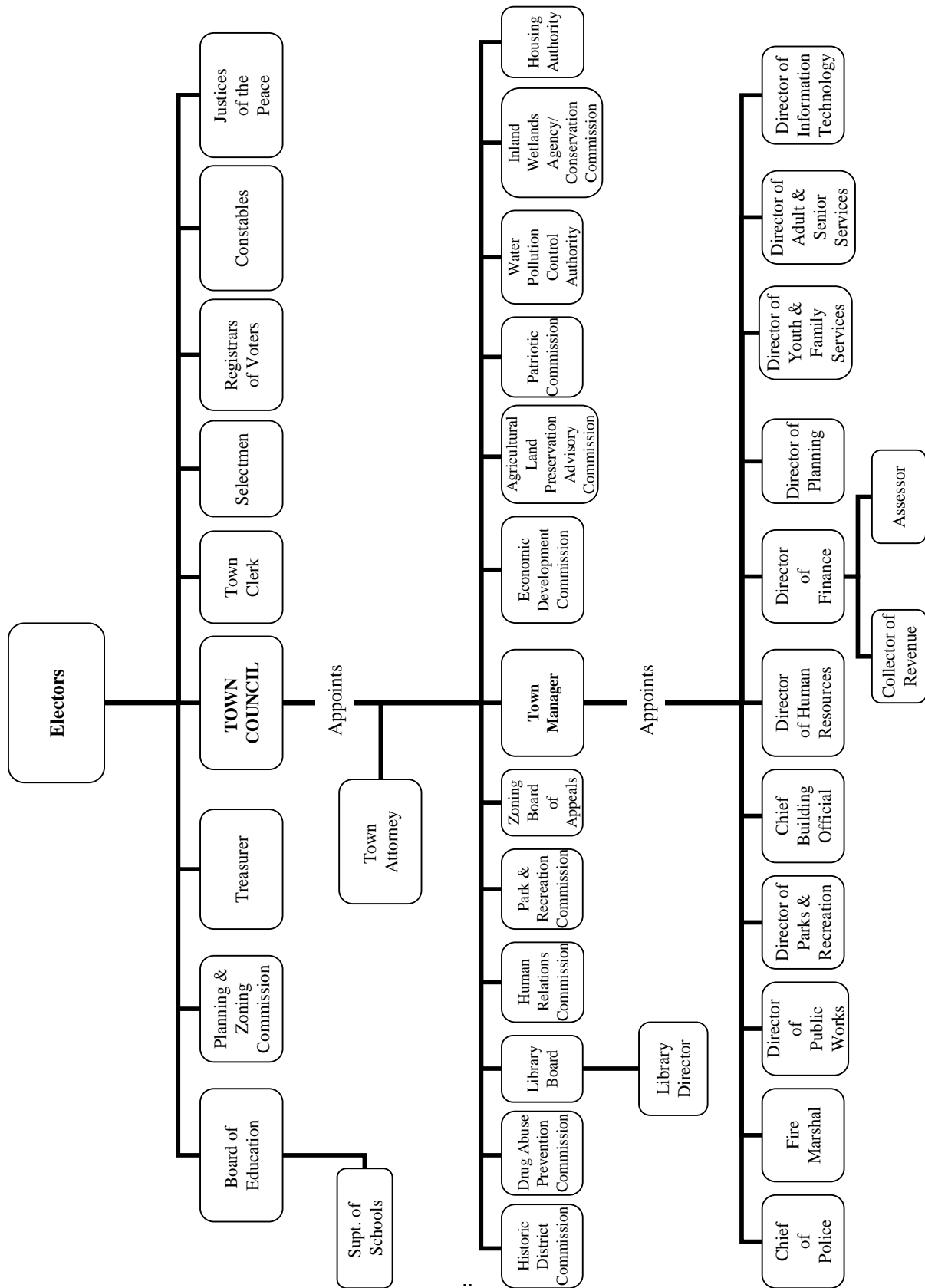
Presentation of this report could not have been accomplished without the dedicated Finance Department and other various departments who provided information. I would like to thank Blum, Shapiro & Company, P.C., our independent auditors, for their professional guidance, assistance and many helpful comments and suggestions. The continuing support of the Town Manager, Mayor and members of the Town Council, who remain committed to fiscal integrity and financial leadership, is greatly appreciated.

Respectfully submitted,



Patricia Perry  
Director of Finance

# Town of South Windsor Organizational Chart



Town of South Windsor  
Listing of Principal Officials  
June 30, 2017

TOWN COUNCIL  
Carolyn Mirek, Mayor

Janice A. Snyder, Deputy Mayor  
Dr. M. Saud Anwar  
Cynthia Beaulieu  
William Carroll, Jr.

Edward Havens  
Lisa M. Maneeley  
Elizabeth Pendleton  
Matthew Riley

BOARD OF EDUCATION  
David S. Joy, Chairman

Beth Esstman, Vice Chairman  
Craig Zimmerman, Secretary  
Joseph Durette  
Jamie Gamble

Michael Gonzalez  
Mary Justine Hockenberry  
Phil Koboski  
Richard Stahr

ADMINISTRATION  
Dr. Kate Carter, Superintendent of Schools  
Sheryl L. Mortensen, Assistant Superintendent  
Colin J. McNamara, Assistant Superintendent  
Chris M. Chemerka, Director of Finance & Operations

TOWN DEPARTMENTS

Matthew B. Galligan, Town Manager

Andrea Cofrancesco, Director of Youth  
& Adult Services  
Christopher Dougan, Chief Building Official  
Timothy Edwards, Chief of Police  
Mary Etter, Library Director  
Raymond Favreau, Director of Recreation  
Michael Gantick, Director of Public Works  
Mary Huda, Assessor

Michele Lipe, Director of Planning  
Patricia Perry, Director of Finance  
Vanessa Perry, Director of Human Resources  
Jennifer Hilinski-Shirley, Tax Collector  
Scott Roberts, Director of Information  
Technology  
Walter Summers, Fire Marshal  
Lori Trahan, Town Clerk



Government Finance Officers Association

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

Presented to

**Town of South Windsor  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

# Financial Section



Accounting | Tax | Business Consulting

## **Independent Auditors' Report**

To the Town Council  
Town of South Windsor, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of South Windsor, Connecticut, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of South Windsor, Connecticut's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of South Windsor, Connecticut, as of June 30, 2017 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.

## ***Changes in Accounting Principles***

As discussed in Note 11 and Note 13 to the financial statements, during the fiscal year ended June 30, 2017, the Town adopted new accounting guidance, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the budgetary comparison information on pages 58 through 63 and the pension and OPEB schedules on pages 64 through 72 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Town of South Windsor, Connecticut, as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated December 23, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2016 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2016 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017 on our consideration of the Town of South Windsor, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of South Windsor, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of South Windsor, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 21, 2017

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

As management of the Town of South Windsor our discussion and analysis of the Town's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the transmittal letter and the basic financial statements to enhance understanding of the Town's financial performance.

**Financial Highlights**

- Total net position of our governmental activities at the end of the fiscal year was \$140,149,314, an increase of \$14,850,530 or 11.8% over the previous fiscal year. Of the Town's total net position at June 30, 2017, \$6,257,477 is unrestricted and may be used to meet the operating needs of the Town.
- On a government wide basis, revenues totaled \$154,608,482 while expenses equaled \$139,757,952.
- Total cost of all of the Town's government programs was \$14,850,530 less than the generated revenues. No new programs were added this year.
- The Town bonded \$11,860,000 to permanently fund \$360,000 for various school projects, \$7,500,000 for the new Orchard Hill School construction and \$4,000,000 for road and drainage improvements. In addition, the Town issued \$16,000,000 in Bond Anticipation Notes to provide temporary financing for road and drainage improvements and the new Orchard Hill School construction.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and any annual change. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, sanitation, culture and recreation, debt service and general administration. Property taxes, charges for services and state and federal grants finance these activities.

## **Fund Financial Statements**

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (such as the Sewer Operating Fund) or to show that it is meeting legal responsibilities for using grants and other money (such as grants received for education from the State and Federal governments). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. The Town's proprietary fund consists of the Town's internal service fund and is used to report the Town's self-insurance program.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans and other post-employment benefit plans. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **Government-Wide Financial Analysis**

The Town's government-wide activities net position changed from a year ago, increasing from \$125,298,784 to \$140,149,314. Net position may serve over time as a useful indicator of a Town's financial position and an important determinant of its ability to finance services in the future. Town of South Windsor's total assets and deferred outflows exceeded liabilities and deferred inflows by \$14,850,530 at the close of the most recent fiscal year.

By far, the largest portion of the Town of South Windsor's net reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture and equipment, water systems and infrastructure) less related outstanding debt used to acquire those assets. The Town of South Windsor uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of South Windsor's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1  
NET POSITION**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current assets	\$ 45,600,549	\$ 50,544,868
Capital assets, net of accumulated depreciation	221,464,525	197,449,200
Total assets	<u>267,065,074</u>	<u>247,994,068</u>
Deferred outflows of resources	<u>4,607,275</u>	<u>8,318,920</u>
Long-term liabilities outstanding	25,555,188	32,504,561
Other liabilities	103,937,374	98,173,624
Total liabilities	<u>129,492,562</u>	<u>130,678,185</u>
Deferred inflows of resources	<u>2,030,473</u>	<u>336,019</u>
Net Position:		
Net investment in capital assets	133,891,837	121,725,879
Unrestricted	<u>6,257,477</u>	<u>3,572,905</u>
Total Net Position	<u>\$ 140,149,314</u>	<u>\$ 125,298,784</u>

**TABLE 2  
CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Revenues:		
Program revenues:		
Charges for services	\$ 12,579,081	\$ 11,855,782
Operating grants and contributions	30,391,947	25,240,431
Capital grants and contributions	13,076,946	1,470,155
General revenues:		
Property taxes	96,106,885	91,922,703
Grants and contributions not restricted to specific purposes	2,146,206	1,603,494
Unrestricted investment earnings	251,754	121,033
Other general revenues	55,663	32,101
Total revenues	<u>154,608,482</u>	<u>132,245,699</u>
Expenses:		
General government	7,534,628	9,644,225
Public safety	11,059,584	12,259,882
Public works	15,615,857	15,648,511
Human services	1,805,965	1,516,678
Culture and recreation	5,922,105	7,649,148
Education	96,033,281	83,800,549
Debt service	1,786,532	1,619,954
Total expenses	<u>139,757,952</u>	<u>132,138,947</u>
Increase in Net Position	14,850,530	106,752
Beginning Net Position	<u>125,298,784</u>	<u>125,192,032</u>
Ending Net Position	<u>\$ 140,149,314</u>	<u>\$ 125,298,784</u>

As noted above, total revenues were \$154,608,482 and the total cost of all programs and services was \$139,757,952. Our analysis below considers the operations of the fiscal year's governmental activities.

### **Governmental Activities**

The Town's net position increased \$14,850,530 during the current fiscal year. This increase reflects total revenues generated through increased property tax revenues, and other various revenues that exceed operating costs. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements changed from \$3.5 million at June 30, 2016 to \$6.2 million at the end of this year.

For governmental activities, approximately 62.2% of the revenues were derived from property taxes, followed by 19.6% in other intergovernmental revenues and 8.1% in charges for services. The category with the greatest increase is capital grants and contributions. This increase of \$11,606,791 is being driven by reimbursements from the State for construction of a new elementary school and for reimbursements for road projects. Operating grants and property tax collections increased over previous year by \$5,151,516 and \$4,184,182 respectively.

Major revenue factors included:

- Property tax revenues recorded during fiscal year 2017 reflect a .80 mill increase in the mill rate for the current levy and the impact of a 1.86% growth in the grand list. There was \$2,616,557 more in property tax revenues collected over the previous year.
- Charges for services were \$723,299 greater than the prior year due to building permit activity due to several large economic development programs.

- Operating grants reflected an increase of \$5,151,516 mainly due to State and Federal grants funding payments for Education and increases in the State Teacher Retirement Revenue.
- Capital grants and contributions reflected an increase of \$11,606,791 over the previous year due to grant reimbursement requests for construction costs on the new Orchard Hill Elementary School.

For governmental activities, 68.7% of the Town's expenditures relate to education, 11.2% to public works, 7.9% to public safety, 5.4% for general government and 4.2% to culture and recreation. These percentages are fairly consistent with the prior year.

During the state budget sessions in February of 2017, there was discussion that municipal aid to Towns would likely be cut. Although this ultimately did not happen, The Town Manager took a conservative approach and instituted a spending freeze for all departments. Unfilled positions in Building Maintenance, Police and Public Works combined with mild winter temperatures resulted in lower than expected salary costs.

The Town continues to employ various cost control methods to keep expenditures as low as possible. These involve ongoing monthly review of all town expenditures as compared to budget; Town Manager review of all purchase orders; and shared service purchasing or state-contract equipment and supplies where possible. The Town continues to be proactive in controlling employee benefit costs through implementation of wellness incentives; working with our insurance broker and negotiating with bargaining units.

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

**GOVERNMENTAL ACTIVITIES  
TABLE 3**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General government	\$ 7,534,628	\$ 9,644,225	\$ (3,757,666)	\$ (7,102,442)
Public safety	11,059,584	12,259,882	(10,856,904)	(11,873,991)
Public works	15,615,857	15,648,511	1,568,040	(9,359,254)
Human services	1,805,965	1,516,678	(1,334,384)	(1,202,107)
Culture and recreation	5,922,105	7,649,148	(3,304,386)	(5,079,776)
Education	96,033,281	83,800,549	(64,238,146)	(57,335,055)
Debt service	1,786,532	1,619,954	(1,786,532)	(1,619,954)
Total	<u>\$ 139,757,952</u>	<u>\$ 132,138,947</u>	<u>\$ (83,709,978)</u>	<u>\$ (93,572,579)</u>

## **Town Funds Financial Analysis**

### **Governmental Funds**

The Town's governmental funds (as presented in the balance sheet - Exhibit III) reported combined ending fund balances of \$11,185,828, inclusive of an unassigned fund balance of \$5,081,097.

The General Fund is the operating fund of the Town. Fund balance of the Town's General Fund increased by \$959,926 during the current fiscal year. At June 30, 2017, unassigned fund balance of the General Fund was \$9,467,497 while total fund balance was \$11,091,806. The increase in fund balance is due to greater than expected revenues for building permits, recording fees and investment earnings combined with expenditure savings in Public Safety, Public Works and Insurance and Benefit line items.

The Town's collection rate in fiscal year 2017 was 98.7%, which is consistent with the collection rate over the past five fiscal years.

## **General Fund Budgetary Highlights**

The approved Town budget (including education) for fiscal year 2016/2017 was \$112,563,178. Education expenses continued to be the largest component at 63.7%, followed by public safety at 7.9%, and public works at 7.2%.

During the year, actual revenues and other financing sources on a budgetary basis were \$112,881,183 which exceeded budgetary estimates by \$318,005. Charges for current services exceeded budget expectations by \$361,677 primarily due to increased activity for building permits, higher Town Clerk fees, a member equity distribution and proceeds from a Town Garage auction. The building permit fees collected reflect the increased activity in new construction and economic development. Investment income was \$176,526 over budget due to investing a portion of cash not currently needed into longer term investments for higher interest rates. These favorable variances were offset by Operating grants and contributions by (\$231,643) due to unexpected mid-year cuts from the State for student transportation.

Actual expenditures on a budgetary basis and other financing uses totaled \$110,901,147, which was less than budgeted by \$1,661,308. Total general government accounts were under budget by \$180,763 due to payroll savings and cost containment due to a Town-wide spending freeze. Public Safety and Public Works and Recreation accounts contributed \$411,930, \$430,955 and \$133,607 respectively to the overall positive variance due to unfilled positions, overtime savings and the spending freeze.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Asset**

The Town of South Windsor's investment in capital assets as of June 30, 2017 totals \$221,464,525 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges, machinery and equipment, vehicles park facilities, wastewater collection systems and construction in progress. The increase in total capital assets, net of depreciation, over the prior fiscal year was \$24,015,325.

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

- Construction in Progress increases for a new elementary school, road and drainage projects funded by bonds and bond anticipation notes;
- Addition of general government and road infrastructure projects financed by bonds and capital budget and;
- Depreciation expense in the amount of \$5,003,778.

Additional information on the Town's capital assets can be found in Note 5 of the Basic Financial Statements.

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

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Land	\$ 17,892,095	\$ 17,892,095
Buildings	62,173,094	63,704,078
Improvements other than buildings	17,501,453	18,353,629
Furniture and equipment	6,065,616	5,621,311
Infrastructure	76,471,352	77,659,414
Construction in progress	41,360,915	14,218,673
Total	<u>\$ 221,464,525</u>	<u>\$ 197,449,200</u>



## **Long-Term Debt**

At June 30, 2017, the Town had \$67,925,093 in bonds and notes outstanding versus \$60,830,009 last year, an increase of 11.6%. All of the debt is backed by the full faith and credit of the Town.

The Town issued bond anticipation notes (BANS) in the amount of \$16,000,000 for road infrastructure projects and the construction of a new elementary school and road and drainage projects. The plan is to issue bonds after projects are completed and after the opening of the new school in August 2017.

In March 2013 the Town was authorized to bond \$33 million for the construction of the new Orchard Hill Elementary School and in March 2017 the Town was authorized to bond \$69.9 million to construct two additional elementary schools. Both projects are part of the Board of Education 10-year elementary facilities plan.

The Town of South Windsor maintains an AA+ rating for Standard and Poor's and an Aa2 rating from Moody's Investors Service. The overall statutory debt limit for the Town of South Windsor is equal to seven times annual receipts from taxation or \$668 million. As of June 30, 2017, the Town recorded total net debt of \$83 million, well below its statutory debt limits.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Town Council considered many factors when setting the fiscal year 2017-2018 budget. Overall economic conditions as well as citizens' ability to sustain an increase in taxes continue to be primary concerns of town officials. The mill rate for the Town was increased .74 mills to 38.08 for Real Estate and Personal Property and the Motor Vehicle Mill Rate decreased by 5 mills to 32.00 per the State cap.

General fund spending increased by \$599,307, an increase of .53% over the fiscal year 2017 budget. The largest increase was to Debt service with an increase of \$647,999 due to bonding for new elementary school. With State grant revenues in flux, budgets for the Board of Education decreased over previous years (\$544,153) as did Culture & Leisure (\$314,659). Grand list growth was 2.21%, which aided in keeping tax increase reasonable, considered loss of state funding.

Unemployment (not seasonally adjusted) in the Town as of October 2016 was 4.1% versus 4.4% for October 2015. The State's unemployment rate was 5.1% and 5.6% and the national rate was 4.7% and 5.3% for the same time period.

## **Contacting the Town's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Matthew B. Galligan, Town Manager, Town of South Windsor, 1540 Sullivan Avenue, South Windsor, Connecticut 06074.

# **Basic Financial Statements**

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<b>Governmental Activities</b>
Assets:	
Cash and cash equivalents	\$ 35,387,952
Investments	101,037
Receivables, net	10,035,615
Inventory	23,201
Prepaid items	7,667
Other assets	45,077
Capital assets not being depreciated	59,253,010
Capital assets being depreciated, net of accumulated depreciation	162,211,515
Total assets	<u>267,065,074</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	1,002,567
Deferred outflows related to pensions	3,604,708
Total deferred outflows of resources	<u>4,607,275</u>
Liabilities:	
Accounts payable and accrued liabilities	7,167,926
Unearned revenue	2,387,262
Notes payable	16,000,000
Noncurrent liabilities:	
Due within one year	7,429,420
Due in more than one year	96,507,954
Total liabilities	<u>129,492,562</u>
Deferred Inflows of Resources:	
Advance property tax collections	1,032,963
Deferred inflows related to pensions	997,510
Total deferred inflows of resources	<u>2,030,473</u>
Net Position:	
Net investment in capital assets	133,891,837
Unrestricted	6,257,477
Total Net Position	<u>\$ 140,149,314</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 7,534,628	\$ 1,623,465	\$ 207,271	\$ 1,946,226	\$ (3,757,666)
Public safety	11,059,584	151,502	51,178		(10,856,904)
Public works	15,615,857	5,606,794	446,383	11,130,720	1,568,040
Human services	1,805,965	354,339	117,242		(1,334,384)
Culture and recreation	5,922,105	2,570,164	47,555		(3,304,386)
Education	96,033,281	2,272,817	29,522,318		(64,238,146)
Interest on long-term debt	1,786,532				(1,786,532)
Total	<u>\$ 139,757,952</u>	<u>\$ 12,579,081</u>	<u>\$ 30,391,947</u>	<u>\$ 13,076,946</u>	<u>(83,709,978)</u>
General revenues:					
Property taxes					96,106,885
Grants and contributions not restricted to specific programs					2,146,206
Unrestricted investment earnings					251,754
Miscellaneous					55,663
Total general revenues					<u>98,560,508</u>
Change in net position					14,850,530
Net Position at Beginning of Year					<u>125,298,784</u>
Net Position at End of Year					<u>\$ 140,149,314</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 30,266,460	\$	\$ 49,881	\$ 1,776,322	\$ 32,092,663
Investments				101,037	101,037
Receivables, net	5,181,868	3,405,188	680,926	68,070	9,336,052
Due from other funds	468,381	11,817,242	945,499	3,069,457	16,300,579
Other assets	<u>2,442</u>			<u>28,426</u>	<u>30,868</u>
Total Assets	\$ <u>35,919,151</u>	\$ <u>15,222,430</u>	\$ <u>1,676,306</u>	\$ <u>5,043,312</u>	\$ <u>57,861,199</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables	\$ 3,101,447	\$ 1,738,695	\$ 156,565	\$ 416,198	\$ 5,412,905
Due to other funds	15,832,198			468,381	16,300,579
Notes payable		16,000,000			16,000,000
Unearned revenue		1,870,135		517,127	2,387,262
Total liabilities	<u>18,933,645</u>	<u>19,608,830</u>	<u>156,565</u>	<u>1,401,706</u>	<u>40,100,746</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	4,860,737				4,860,737
Unavailable revenue - sewer use			680,925		680,925
Advance property tax collections	<u>1,032,963</u>				<u>1,032,963</u>
Total deferred inflows of resources	<u>5,893,700</u>	<u>-</u>	<u>680,925</u>	<u>-</u>	<u>6,574,625</u>
Fund balances:					
Nonspendable	2,442			28,426	30,868
Restricted				1,205,414	1,205,414
Committed			838,816	2,407,766	3,246,582
Assigned	1,621,867				1,621,867
Unassigned	<u>9,467,497</u>	<u>(4,386,400)</u>			<u>5,081,097</u>
Total fund balances	<u>11,091,806</u>	<u>(4,386,400)</u>	<u>838,816</u>	<u>3,641,606</u>	<u>11,185,828</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>35,919,151</u>	\$ <u>15,222,430</u>	\$ <u>1,676,306</u>	\$ <u>5,043,312</u>	\$ <u>57,861,199</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2017**

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

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

Fund balances - total governmental funds	\$ 11,185,828
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 375,057,749	
Less accumulated depreciation	<u>(153,593,224)</u>	
Net capital assets		221,464,525

Long term assets and deferred outflows of resources are not  
available to pay for current-period expenditures and, therefore, are  
not recorded in the funds:

Property tax receivables greater than 60 days	2,759,189
Interest receivable on property taxes	2,101,548
Assessments and user fee receivable	492,432
Interest receivable on assessments and user fees	188,494
Net OPEB asset	45,077
Deferred outflows related to changes in pension actuarial experience	40,879
Deferred outflows related to changes in actuarial assumptions	2,068,806
Deferred outflows related to changes in projected pension investment earnings	1,495,023

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

2,818,852

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

Net pension liability	(21,597,695)
Deferred inflows related to changes in pension actuarial experience	(997,510)
Bonds and notes payable	(67,925,093)
Interest payable on bonds and notes	(579,022)
Compensated absences	(8,434,538)
Capital lease	(3,734,926)
Unamortized bond premium	(2,245,122)
Deferred charge on refunding	<u>1,002,567</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 140,149,314</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 95,483,270	\$	\$	\$	\$ 95,483,270
Intergovernmental	27,351,197	13,025,103		4,825,320	45,201,620
Charges for services	1,833,177	787,204	4,751,444	5,259,377	12,631,202
Investment earnings	226,526		110	15,436	242,072
Miscellaneous		30,323	990	358,356	389,669
Total revenues	<u>124,894,170</u>	<u>13,842,630</u>	<u>4,752,544</u>	<u>10,458,489</u>	<u>153,947,833</u>
Expenditures:					
Current:					
General government	3,570,625			217,916	3,788,541
Public safety	8,555,095			208,974	8,764,069
Public works	7,879,433		3,709,659	394,104	11,983,196
Human services	993,195			430,321	1,423,516
Culture and recreation	2,868,468			2,095,879	4,964,347
Insurance and sundry	6,340,930				6,340,930
Education	85,322,089			6,157,523	91,479,612
Debt service	7,365,581				7,365,581
Capital outlay		28,899,903			28,899,903
Total expenditures	<u>122,895,416</u>	<u>28,899,903</u>	<u>3,709,659</u>	<u>9,504,717</u>	<u>165,009,695</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,998,754</u>	<u>(15,057,273)</u>	<u>1,042,885</u>	<u>953,772</u>	<u>(11,061,862)</u>
Other Financing Sources (Uses):					
Issuance of general obligation bonds		11,860,000			11,860,000
Issuance of capital lease		477,850			477,850
Premium on bond issuance	739,043				739,043
Transfers in	52,455	1,999,213	28,350		2,080,018
Transfers out	(1,830,326)		(772,240)	(43,565)	(2,646,131)
Total other financing sources (uses)	<u>(1,038,828)</u>	<u>14,337,063</u>	<u>(743,890)</u>	<u>(43,565)</u>	<u>12,510,780</u>
Net Change in Fund Balances	959,926	(720,210)	298,995	910,207	1,448,918
Fund Balances at Beginning of Year	<u>10,131,880</u>	<u>(3,666,190)</u>	<u>539,821</u>	<u>2,731,399</u>	<u>9,736,910</u>
Fund Balances at End of Year	\$ <u>11,091,806</u>	\$ <u>(4,386,400)</u>	\$ <u>838,816</u>	\$ <u>3,641,606</u>	\$ <u>11,185,828</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 1,448,918
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	29,315,079
Depreciation expense	(5,003,778)

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.

(295,976)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	410,834
Property tax interest and lien revenue - accrual basis change	212,780
Sewer user fees and assessment receivable - accrual basis change	(120,378)
Sewer user fees and assessment interest receivable - accrual basis change	149,812
Deferred outflows related to changes in pension actuarial experience	(434,627)
Deferred outflows related to changes in projected pension investment earnings	(2,384,704)
Deferred outflows related to changes in pension actuarial assumptions	(802,563)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	3,320,000
Note payments	1,444,916
Issuance of bonds and notes	(11,860,000)
Premium on bonds	(739,043)
Capital lease payments	850,418
Issuance of capital lease	(477,850)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(346,639)
Accrued interest	(122,194)
Amortization of deferred charge on refunding	(89,751)
Amortization of bond premiums	175,662
Net pension liability	1,868,786
Deferred inflows related to changes in pension actuarial experience	(997,510)
Deferred inflows related to changes in pension actuarial assumptions	310,253
Net OPEB expense	83

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(981,998)

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>14,850,530</u>
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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**JUNE 30, 2017**

	<b>Governmental Activities Internal Service Fund</b>
Assets:	
Cash and cash equivalents	\$ 3,295,289
Accounts receivable	<u>699,563</u>
Total assets	<u>3,994,852</u>
Liabilities:	
Accounts and other payables	<u>1,176,000</u>
Net Position:	
Unrestricted	\$ <u><u>2,818,852</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities Internal Service Fund</b>
Operating Revenues:	
Charges for services	\$ 14,443,908
Operating Expenses:	
Employee benefits	<u>16,001,701</u>
Operating Loss	(1,557,793)
Nonoperating Revenue:	
Income on investments	<u>9,682</u>
Loss Before Transfers	(1,548,111)
Transfer In	<u>566,113</u>
Change in Net Position	(981,998)
Net Position at Beginning of Year	<u>3,800,850</u>
Net Position at End of Year	\$ <u><u>2,818,852</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities Internal Service Fund</b>
Cash Flows from Operating Activities:	
Cash received from premiums - Town departments and agencies	\$ 14,443,908
Claims paid	<u>(16,496,248)</u>
Net cash provided by (used in) operating activities	(2,052,340)
Cash Flows from Noncapital Financing Activities:	
Contributions from other funds	566,113
Cash Flows from Investing Activities:	
Income from investments	<u>9,682</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,476,545)
Cash and Cash Equivalents at Beginning of Year	<u>4,771,834</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>3,295,289</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)	
Operating Activities:	
Operating income (loss)	\$ <u>(1,557,793)</u>
Adjustments to reconcile operating income (loss) to net cash provided by	
(used in) operating activities:	
(Increase) decrease in accounts receivable	(699,563)
(Increase) decrease in prepaid assets	218,323
Increase (decrease) in accounts and other payables	<u>(13,307)</u>
Total adjustments	<u>(494,547)</u>
Net Cash Provided by (Used In) Operating Activities	\$ <u><u>(2,052,340)</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,468,242	\$ 1,229,915
Investments:		
Mutual funds	<u>39,146,780</u>	
Total assets	<u>41,615,022</u>	<u>\$ 1,229,915</u>
<b>Liabilities:</b>		
Accounts payable		\$ 16,067
Due to other groups		<u>1,213,848</u>
Total liabilities	<u>-</u>	<u>\$ 1,229,915</u>
<b>Net Position:</b>		
Restricted for Pension Benefits and Other Purposes	<u>\$ 41,615,022</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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	<b>Pension and Other Employee Benefit Trust Funds</b>
	<hr/>
Additions:	
Contributions:	
Employer	\$ 3,251,167
Plan members	587,894
Total contributions	<hr/> 3,839,061
Investment earnings:	
Net change in fair value of investments	<hr/> 4,175,263
Total additions	<hr/> 8,014,324
Deductions:	
Benefits	3,074,189
Administration	<hr/> 115,671
Total deductions	<hr/> 3,189,860
Change in Net Position	4,824,464
Net Position at Beginning of Year	<hr/> 36,790,558
Net Position at End of Year	<hr/> <hr/> \$ 41,615,022

The accompanying notes are an integral part of the financials statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **A. Reporting Entity**

The Town was incorporated in 1845. The Town operates under a Town Council/Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, public health and social services, parks and recreation, and education.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These criteria have been considered, and there are no agencies or entities that should be presented with the Town.

### **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

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

The Town reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the financial resources to be used for major capital asset construction and/or purchases.

The *Sewer Operating Fund* accounts for sewer use and assessment fees used to maintain sewer operations within the Town. The major sources of revenue for this fund is sewer assessments and use charges.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for medical insurance benefits as allowed by GASB Statement No. 10.

The *Pension and Other Employee Benefit Trust Funds* account for the activities of the South Windsor Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees and also the accumulated resources and payments associated with both Town and Board of Education health insurance benefits to former qualified employees.

The *Agency Funds* account for monies held on behalf of students and amounts held for performance related activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**D. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

Investments for the Town are reported at fair value.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are levied on all assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Assessed values are established by the Town Assessor's Office at 70% of appraised value. The tax bills are payable in two installments, July and January. In accordance with State Statutes, the oldest outstanding tax is collected first. Delinquent taxes are charged with interest at the rate of 1.5% per month. Outstanding real estate tax accounts are automatically liened each year prior to June 30.

In the governmental fund financial statements property tax revenues are recognized when they become available. Available means due or past due and received within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue.

**F. Inventories and Prepaid Items**

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

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



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**G. 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 activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 for equipment, \$50,000 for improvements, and \$100,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost 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.

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

<u>Assets</u>	<u>Years</u>
Roads	75
Bridges	50
Sewer collection pipes	75
Sewer collection manholes	75
Buildings	40
Improvements other than buildings	20
Machinery and equipment	5-20
Vehicles	6-20
Office equipment	10
Computer equipment	3

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension 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 results from differences between expected and actual experience, changes in actuarial assumptions and differences between expected and actual investment returns. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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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 advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows of resources related to pensions in the government-wide statement of net position. Advance property tax collections represent taxes and fees inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension results from changes in assumptions. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). 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 several sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

**I. Compensated Absences**

Town and noncertified Board of Education employees are granted vacation and sick leave and certified employees of the Board of Education are granted sick leave based upon length of employment. In the event of termination, employees are compensated for accumulated vacation and, depending on the terms of their union contract, sick time.

**J. Net Pension Liability**

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

**K. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **L. Fund Equity**

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

### **Net Investment in Capital Assets**

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

### **Restricted Net Position**

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no assets under restriction.

### **Unrestricted Net Position**

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

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

### **Nonspendable Fund Balance**

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

### **Restricted Fund Balance**

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

### **Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). The Town Council may commit resources by resolution prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

### **Assigned Fund Balance**

This balance represents 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 by the Town Charter.

### **Unassigned Fund Balance**

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

## **M. Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates of and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues expenditures during the fiscal year.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund, Sewer Operating and Recreation Fund financial statements.

- Prior to March 15, the Board of Education submits to the Town Council a proposed budget for the year commencing July 1. Prior to March 22, the Town Manager submits to the Town Council a proposed operating budget for the general government for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. By April 15, the Town Council must have the Board of Education budget ready for public hearing and by April 22, the Town Council must have the general government budget ready for public hearing.
- By April 30, public hearings are conducted on the Board of Education budget and by May 7, public hearings are conducted on the general government budget.
- By May 15, the Town Council shall adopt the Board of Education budget and by May 22, the Town Council shall adopt the general government budget.
- The Town Manager may transfer unencumbered funds within a department budget. The Town Council may transfer unencumbered funds between departments and is authorized to make additional appropriations. There were no additional appropriations approved during the year.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Town Council approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year, or no expenditure from or encumbrance of the appropriation has been made for three consecutive fiscal years.

### **B. Fund Deficits**

The Capital Projects fund had a deficit fund balance of \$4,386,400 at June 30, 2017. This deficit will be funded with future charges for services and bonding.

### **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

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

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

#### **Deposits**

##### **Deposit Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$20,352,772 of the Town's bank balance of \$21,102,772 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 18,242,495
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,110,277</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 20,352,772</u>

**Cash Equivalents**

At June 30, 2017, the Town's cash equivalents amounted to \$18,032,929. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<b>Standard &amp; Poor's</b>
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo	*

\*not rated

**Investments**

Investments as of June 30, 2017 in all funds are as follows:

<b>Investment Type</b>	<b>Fair Value</b>
Mutual funds	\$ 39,247,817

**Interest Rate Risk**

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

The Town's investment policy does not specify a limit for an investment in any one issuer.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2016, the Town had no uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2017:

	June 30, 2017	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Mutual funds	\$ 39,247,817	\$ 37,699,843	\$ 1,547,974	\$ -

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level 3 investments.

**4. RECEIVABLES**

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

	General	Capital Projects	Sewer Operating Fund	Nonmajor and Other Funds	Total
Receivables:					
Interest	\$ 2,101,548	\$	\$ 188,493	\$	\$ 2,290,041
Taxes	3,819,468				3,819,468
Accounts	117,807		486,625	705,537	1,309,969
Intergovernmental	21,522	3,405,188		62,096	3,488,806
Special assessments			5,808		5,808
Gross receivables	6,060,345	3,405,188	680,926	767,633	10,914,092
Less allowance for uncollectibles:					
Taxes	(878,477)				(878,477)
Net Total Receivables	\$ 5,181,868	\$ 3,405,188	\$ 680,926	\$ 767,633	\$ 10,035,615

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases and Adjustments</u>	<u>Decreases and Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 17,892,095	\$	\$	\$ 17,892,095
Construction in progress	14,218,673	27,310,294	(168,052)	41,360,915
Total capital assets not being depreciated	<u>32,110,768</u>	<u>27,310,294</u>	<u>(168,052)</u>	<u>59,253,010</u>
Capital assets being depreciated:				
Buildings	127,851,704	150,192		128,001,896
Improvements other than buildings	27,302,099	69,328		27,371,427
Furniture and equipment	19,693,989	1,785,265	(499,400)	20,979,854
Infrastructure	139,283,510	168,052		139,451,562
Total capital assets being depreciated	<u>314,131,302</u>	<u>2,172,837</u>	<u>(499,400)</u>	<u>315,804,739</u>
Less accumulated depreciation for:				
Buildings	(64,147,626)	(1,681,176)		(65,828,802)
Improvements other than buildings	(8,948,470)	(921,504)		(9,869,974)
Furniture and equipment	(14,072,678)	(1,044,984)	203,424	(14,914,238)
Infrastructure	(61,624,096)	(1,356,114)		(62,980,210)
Total accumulated depreciation	<u>(148,792,870)</u>	<u>(5,003,778)</u>	<u>203,424</u>	<u>(153,593,224)</u>
Total capital assets being depreciated, net	<u>165,338,432</u>	<u>(2,830,941)</u>	<u>(295,976)</u>	<u>162,211,515</u>
Governmental Activities Capital Assets, Net	<u>\$ 197,449,200</u>	<u>\$ 24,479,353</u>	<u>\$ (464,028)</u>	<u>\$ 221,464,525</u>

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

Governmental activities:	
General Government	\$ 61,629
Public Safety	457,759
Public Works	1,877,876
Culture and recreation	403,107
Human Services	12,138
Education	<u>2,191,269</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,003,778</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2017. At year end, the Town's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Road Improvement Projects	\$ 6,142,163	\$ 8,084,181

The commitments are being financed by General Fund appropriations, permanent financing and participation in the State's Highway Planning and Construction Program.



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**6. INTERFUND RECEIVABLES AND PAYABLES**

During the course of operations, transactions were processed through the General Fund on behalf of other funds. A summary of interfund balances as of June 30, 2017 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 468,381
Sewer Fund	General Fund	945,499
Capital Projects Funds	General Fund	11,817,242
Nonmajor Governmental Funds	General Fund	<u>3,069,457</u>
Total		<u>\$ 16,300,579</u>

Interfund receivables and payables generally represent temporary balances from reimbursement type transactions.

Interfund transfers:

	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Sewer Operating</u>	<u>Internal Service</u>	<u>Transfers Out</u>
Transfers out:					
General Fund	\$	\$ 1,264,213	\$	\$ 566,113	\$ 1,830,326
Sewer Assessment	37,240	735,000			772,240
Nonmajor Governmental	<u>15,215</u>	<u></u>	<u>28,350</u>	<u></u>	<u>43,565</u>
Total Transfers In	<u>\$ 52,455</u>	<u>\$ 1,999,213</u>	<u>\$ 28,350</u>	<u>\$ 566,113</u>	<u>\$ 2,646,131</u>

Transfers are for regularly reoccurring operational transactions.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

A schedule of long-term liabilities outstanding at June 30, 2017 is presented below:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable:					
Bonds and notes payable	\$ 60,830,009	\$ 11,860,000	\$ (4,764,916)	\$ 67,925,093	\$ 5,282,966
Premiums	1,681,741	739,043	(175,662)	2,245,122	
	<u>62,511,750</u>	<u>12,599,043</u>	<u>(4,940,578)</u>	<u>70,170,215</u>	<u>5,282,966</u>
Capital leases	4,107,494	477,850	(850,418)	3,734,926	755,169
Compensated absences	8,087,899	490,270	(143,631)	8,434,538	1,391,285
Net pension liability	<u>23,466,481</u>		<u>(1,868,786)</u>	<u>21,597,695</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 98,173,624</u>	<u>\$ 13,567,163</u>	<u>\$ (7,803,413)</u>	<u>\$ 103,937,374</u>	<u>\$ 7,429,420</u>

For the governmental activities, compensated absences and net pension liabilities are generally liquidated by the General Fund.

Bonds and notes payable at June 30, 2017 comprise the following:

<b>Description</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate (%)</b>	<b>Amount of Original Issue</b>	<b>Balance Outstanding June 30, 2017</b>
General Purpose:					
Refunding bond	3/13/2012	8/1/2025	2.0-4.0%	\$ 15,185,000	\$ 13,315,000
Improvement bond	2/15/2012	2/15/2022	1.0-2.0%	2,000,000	1,000,000
Improvement bond	2/19/2014	2/15/2034	2.0-5.0%	2,100,000	2,000,000
Refunding bond	6/4/2014	8/15/2022	2.0-5.0%	4,222,000	2,944,000
Improvement bond	2/18/2015	2/15/2035	1.75-4.0%	1,900,000	1,900,000
Improvement bond	2/17/2016	2/15/2036	2.0-5.0%	3,000,000	3,000,000
Improvement bond	2/15/2017	2/15/2033	2.0-5.0%	4,000,000	4,000,000
Schools:					
Improvement bond	2/19/2014	2/15/2034	2.0-5.0%	2,470,000	2,355,000
Refunding bond	6/4/2014	8/15/2022	2.0-5.0%	2,393,000	226,000
Improvement bond	2/18/2015	2/15/2035	1.75-4.0%	3,260,000	3,260,000
Improvement bond	2/17/2016	2/15/2036	2.0-5.0%	1,300,000	1,300,000
Improvement bond	2/15/2017	2/15/2033	3.0-5.0%	7,860,000	7,860,000
Sewer:					
Clean Water Note Vernon wastewater	1/1/2002	7/1/2021	2%	800,000	184,952
Treatment plant upgrade	12/31/1997	12/31/2016	2%	482,056	
Clean Water Note Pleasant	11/30/2005	5/31/2025	2%	402,727	177,200
Clean Water Note Submersible station	12/28/2006	7/1/2026	2%	1,568,029	782,693
Clean Water Note	10/31/2012	12/30/2032	2%	27,516,583	21,940,248
Improvement bond	2/19/2014	2/15/2034	2.0-5.0%	1,750,000	<u>1,680,000</u>
Total					<u>\$ 67,925,093</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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The following is a schedule of future debt service requirements as of June 30, 2017:

<b>Fiscal Year Ending</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>
2018	\$ 5,282,966	\$ 1,934,830	\$ 7,217,796
2019	4,820,981	1,769,047	6,590,028
2020	4,769,562	1,609,491	6,379,053
2021	5,058,719	1,440,533	6,499,252
2022	4,923,991	1,259,908	6,183,899
2023-2027	21,438,854	4,255,830	25,694,684
2028-2032	18,082,214	1,788,588	19,870,802
2033-2036	3,547,806	185,787	3,733,593
	<u>\$ 67,925,093</u>	<u>\$ 14,244,014</u>	<u>\$ 82,169,107</u>

Debt service expenditures were funded by the General Fund and the Sewer Operating Fund.

The Town issued \$11,860,000 of general obligation bonds on February 16, 2017 for various capital improvement projects. The bonds bear interest of 2.0%-5.0% and mature on February 15, 2033.

**Legal Debt Limit**

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

<b>Category</b>	<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
General purpose	\$ 214,942,622	\$ 29,162,082	\$ 185,780,540
Schools	429,885,243	18,207,688	411,677,555
Sewers	358,237,703	36,488,505	321,749,198
Urban renewal	310,472,676		310,472,676
Pension deficit	286,590,162		286,590,162

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$668,710,378.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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Authorized and unissued debt is as follows:

Project	Authorized	Bonds/BANS		Authorized But Unissued
		Issued	Grants	
Water Pollution Control Facility Project	\$ 47,000,000	\$ 27,516,583	\$ 7,760,005	\$ 11,723,412
Storm Alfred Debris Management and Removal Services	8,000,000	2,000,000	5,996,918	3,082
Orchard Hill Elementary School Project	33,521,724	20,000,000	10,315,036	3,206,688
2014 - Road / Drainage Improvements	12,000,000	11,000,000		1,000,000
Total	\$ <u>100,521,724</u>	\$ <u>60,516,583</u>	\$ <u>24,071,959</u>	\$ <u>15,933,182</u>

**Capital Leases**

The Town has entered into lease agreements for the purchase of various data processing equipment and copiers, public works equipment, a voicemail system, a minibus, communication equipment and vehicles. The annual payments for the agreements are provided for by annual general fund appropriations.

Capital leases that are currently capitalized under the category of machinery and equipment were as follows:

Cost	\$ 7,137,220
Accumulated depreciation	<u>(1,331,416)</u>
Net Leased Equipment	\$ <u>5,805,804</u>

The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease, and the present value of the future minimum lease payments at June 30, 2017:

Fiscal Year	Amount
2018	\$ 896,346
2019	857,271
2020	730,444
2021	706,861
2022	282,481
2023-2025	743,789
Less amount representing interest	<u>(482,266)</u>
Present Value of Minimum Lease Payments	\$ <u>3,734,926</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**Bond Anticipation Notes**

The Town issued bond anticipation notes on February 16, 2017 maturing on February 15, 2018 for \$16,000,000. The current interest rate on the notes is 2.00% and is recorded as a liability in the Capital Projects Fund. The following is a schedule of bond anticipation note activity for the fiscal year ended June 30, 2017:

<b>Project</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate (%)</b>	<b>Balance July 1, 2016</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance June 30, 2017</b>
Various School Projects	2/17/2016	2/16/2017	2.00%	\$ 360,000	\$	\$ (360,000)	\$ -
Road and Drainage Improvements	2/17/2016	2/16/2017	2.00%	6,000,000		(6,000,000)	-
Orchard Hill Elementary Project	2/17/2016	2/16/2017	2.00%	15,000,000		(15,000,000)	-
Road and Drainage Improvements	2/16/2017	2/15/2018	2.00%		4,000,000		4,000,000
Orchard Hill Elementary Project	2/16/2017	2/15/2018	2.00%		12,000,000		12,000,000
Total				<u>\$ 21,360,000</u>	<u>\$ 16,000,000</u>	<u>\$ (21,360,000)</u>	<u>\$ 16,000,000</u>

**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2017 are as follows:

	<b>General Fund</b>	<b>Capital Projects</b>	<b>Sewer Operating Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	23,201	\$ 23,201
Prepaid items	2,442			5,225	7,667
Restricted for:					
Education				321,712	321,712
Public safety				101,119	101,119
Public works				233,550	233,550
Health and welfare				549,033	549,033
Committed to:					
General government				206,080	206,080
Public safety				73,835	73,835
Public works			838,816		838,816
Culture and recreation				1,877,559	1,877,559
Education				250,292	250,292
Assigned to:					
Subsequent year's budget	1,000,000				1,000,000
General government	29,402				29,402
Public safety	38,361				38,361
Public works	45,118				45,118
Health and welfare	228				228
Culture and recreation	64,541				64,541
Education	444,217				444,217
Unassigned	9,467,497	(4,386,400)			5,081,097
Total Fund Balances	<u>\$ 11,091,806</u>	<u>\$ (4,386,400)</u>	<u>\$ 838,816</u>	<u>\$ 3,641,606</u>	<u>\$ 11,185,828</u>

Encumbrances of \$621,866 are contained in the above table in the assigned categories of the General Fund and \$21,122 and \$32,605 in the committed category of the Sewer Operating fund and nonmajor governmental funds, respectively.

## **9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

### *Pension Trust Fund*

#### **A. Plan Description and Benefits Provided**

The Town is the administrator of two single-employer, defined benefit pension plans, the Town Plan and Board of Education Plan. Plan provisions are established and amended by the Town Council and Board of Education. The first plan includes the following groups of Town employees: management, police union, Town Hall union, highway union, pollution union, library and dispatchers' union. The second plan covers Board of Education management, custodians, secretaries and nurses. The two pension plans are part of the Town's financial reporting entity and are accounted for as pension trust funds. The plans do not issue separate, stand-alone financial reports.

Management of the plans rests with the Pension Committee, which consists of nine members. The Pension Committee is comprised of the Town Manager, Finance Director, the Mayor or designee, two members of the Town Council appointed by the Town Council, two Town employees appointed by the Town Manager, and two committee members representing the Town Board of Education. The Pension Committee members appointed by the Town Council are appointed for two-year terms, except that the terms shall expire concurrent with their term of office or when they leave their council position.

As of July 1, 2016, the plans' membership consisted of:

	<b>Town Plan</b>	<b>Board of Education Plan</b>
Retirees and beneficiaries currently receiving benefits	80	61
Terminated members entitled to benefits but not yet receiving them	17	22
Current active members	85	78
Total	<u>182</u>	<u>161</u>

#### **B. Summary of Significant Accounting Policies and Plan Asset Matters**

##### **Basis of Accounting**

The pension trust funds' financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, and investment income is recognized when earned. Expenses (benefits and administration) are recognized when due and payable in accordance with the terms of each plan.

##### **Valuation of Investments**

Investments are valued at fair value, based upon quoted market prices. Securities traded on national exchanges are valued at the last reported sales price.

## **Benefit Provisions**

### **Town Plan**

Employees become eligible to participate in the plan upon completing one year of continuous service, attaining age 21 and agreeing in writing to make required employee contributions. Police officers are 100% vested after completing ten years of continuous service. Highway, dispatchers, pollution union, town hall, management and library employees are 100% vested after completing five years of continuous service.

### **Board of Education Plan**

Employees become eligible to participate in the plan upon completing one year of continuous service, attaining age 21 and agreeing in writing to make required employee contributions. Employees are 100% vested after completing five years of continuous service.

## **C. Funding Policy**

### **Employer Contributions**

The Town is required to contribute amounts necessary to fund benefits. The Town's contributions to both plans are actuarially determined on an annual basis using the Entry Age Normal Cost Method. For both plans, administrative costs are generally financed through investment earnings.

### **Employee Contributions**

Required employee contribution rates under the Town Plan are 7.75% of covered payroll for police employees, 6% for dispatchers and 4.5% for all other employees. Participants in the Board of Education Plan contribute 4.5% of covered payroll.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**D. Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2017:

<b>Asset Class</b>	<b>Targeted Allocation</b>
U.S. Core Fixed Income	22%
U.S. Bank & Leveraged Loans	5%
Global Bonds	5%
U.S. Large Caps	14%
U.S. Small Caps	4%
U.S. Large Growth	10%
U.S. Large Value	10%
Non-U.S. Equity	15%
Global REITs	5%
Commodities	11%

**Rate of Return**

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments for the Town and Board of Education plans, net of pension plan investment expense, were 11.54% and 11.64%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension Liability of the Town**

The components of the net pension liability of the Town and Board of Education plans at June 30, 2017, were as follows:

	<b>Town</b>	<b>Board of Education</b>
Total pension liability	\$ 44,403,410	\$ 16,742,769
Plan fiduciary net position	<u>26,252,949</u>	<u>13,295,535</u>
Net Pension Liability	<u>\$ 18,150,461</u>	<u>\$ 3,447,234</u>
Plan fiduciary net position as a percentage of the total pension liability	59%	79%



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**Actuarial Assumptions**

The total pension liability for the Town and Board of Education plans were determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.7%
Salary increases	3.0%, average, including inflation
Investment rate of return	7.0% for the Town and Board of Education, net of pension plan investment expense, including inflation
Amortization Period	28 years, closed

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for with generational projection per Scale BB.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return included in the pension plan's target asset allocation as of June 30, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Rate of Return</b>
U.S. Core Fixed Income	2.52%
U.S. Bank & Leveraged Loans	3.23%
Global Bonds	1.35%
U.S. Large Caps	3.61%
U.S. Small Caps	4.10%
U.S. Large Growth	4.01%
U.S. Large Value	3.47%
Non-U.S. Equity	4.59%
Global REITs	3.71%
Commodities	1.41%

**Discount Rate**

The discount rate used to measure the total pension liability for the Town and Board of Education plans was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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The discount rate for the Town plan was adjusted as of June 30, 2017 from 7.25% to 7.00%.

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

The following presents the net pension liability of the Town and Board of Education, calculated using the discount rate of 7.0%, as well as what the Town and Board of Education's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
Town's Net Pension Liability	\$ 24,251,961	\$ 18,150,461	\$ 14,656,448
Board of Education's Net Pension Liability	5,618,074	3,447,234	2,271,412

**F. Changes in the Net Pension Liability**

<b>Town Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2016	\$ 42,448,680	\$ 23,130,493	\$ 19,318,187
Changes for the year:			
Service cost	532,281		532,281
Interest on total pension liability	3,052,104		3,052,104
Differences between expected and actual experience	(996,542)		(996,542)
Changes in assumptions	1,164,263		1,164,263
Employer contributions		1,820,733	(1,820,733)
Member contributions		397,315	(397,315)
Net investment income		2,772,961	(2,772,961)
Benefit payments, including refund to employee contributions	(1,797,376)	(1,797,376)	-
Administrative expenses		(71,177)	71,177
Net changes	1,954,730	3,122,456	(1,167,726)
Balances as of June 30, 2017	\$ 44,403,410	\$ 26,252,949	\$ 18,150,461

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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Amounts reported as changes in assumptions resulted from the change in the discount rate from 7.25% to 7.00%.

<b>Board of Education Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2016	\$ 16,067,007	\$ 11,918,713	\$ 4,148,294
Changes for the year:			
Service cost	378,717		378,717
Interest on total pension liability	1,167,003		1,167,003
Differences between expected and actual experience	(566,948)		(566,948)
Changes in assumptions	407,690		407,690
Employer contributions		549,460	(549,460)
Member contributions		190,579	(190,579)
Net investment income (loss)		1,390,852	(1,390,852)
Benefit payments, including refund to employee contributions	(710,700)	(710,700)	-
Administrative expenses		(43,369)	43,369
Net changes	675,762	1,376,822	(701,060)
Balances as of June 30, 2017	\$ 16,742,769	\$ 13,295,535	\$ 3,447,234

**G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2017, the Town and Board of Education pension plans recognized pension expense of \$3,473,303 and \$1,337,255, respectively. At June 30, 2017, the Town and Board of Education pension plans reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Town</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 30,070	\$ (607,733)
Changes of assumptions	1,283,636	
Net difference between projected and actual earning on pension plan investments	968,929	
Total	\$ 2,282,635	\$ (607,733)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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	<b>Board of Education</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 10,809	\$ (389,777)
Changes of assumptions	785,170	
Net difference between projected and actual earning on pension plan investments	<u>526,094</u>	<u></u>
Total	<u>\$ 1,322,073</u>	<u>\$ (389,777)</u>

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

<b><u>Year Ending June 30,</u></b>	<b><u>Town</u></b>	<b><u>BOE</u></b>
2018	\$ 1,206,356	\$ 648,668
2019	509,493	304,873
2020	175,765	84,258
2021	(216,712)	(105,503)

**H. Combining Financial Statements**

	<b><u>Town Plan</u></b>	<b><u>Board of Education Plan</u></b>	<b><u>Other Post Employment Benefit Trust Fund</u></b>	<b><u>Total</u></b>
Assets:				
Cash and cash equivalent	\$ 199,347	\$ 202,357	\$ 2,066,538	\$ 2,468,242
Investments, at fair value:				
Mutual funds	<u>26,053,602</u>	<u>13,093,178</u>	<u></u>	<u>39,146,780</u>
Total Assets	<u>\$ 26,252,949</u>	<u>\$ 13,295,535</u>	<u>\$ 2,066,538</u>	<u>\$ 41,615,022</u>
Net Position Restricted for Pension Benefits	<u>\$ 26,252,949</u>	<u>\$ 13,295,535</u>	<u>\$ 2,066,538</u>	<u>\$ 41,615,022</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
Additions:				
Contributions:				
Employer	\$ 1,820,733	\$ 549,460	\$ 880,974	\$ 3,251,167
Employee	397,315	190,579		587,894
Total contributions	2,218,048	740,039	880,974	3,839,061
Investment income:				
Net change in fair value of investments	2,772,961	1,390,852	11,450	4,175,263
Total additions	4,991,009	2,130,891	892,424	8,014,324
Deductions:				
Benefits	1,797,376	710,700	566,113	3,074,189
Administration	71,177	43,369	1,125	115,671
Total deductions	1,868,553	754,069	567,238	3,189,860
Changes in Net Position	3,122,456	1,376,822	325,186	4,824,464
Net Position at July 1, 2016	23,130,493	11,918,713	1,741,352	36,790,558
Net Position at June 30, 2017	\$ 26,252,949	\$ 13,295,535	\$ 2,066,538	\$ 41,615,022

*Teachers Retirement*

**A. Plan Description**

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

**B. Benefit Provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

**Normal Retirement**

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**Early Retirement**

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
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**Disability Retirement**

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**C. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts)*

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

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

*Employees*

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

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

At June 30, 2017, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>118,505,418</u>
Total	\$ <u>118,505,418</u>

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

For the year ended June 30, 2017, the Town recognized pension expense and revenue of \$12,923,442 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**E. Actuarial Assumptions**

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

Inflation	2.75%
Salary increase	3.25 - 6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

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

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

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

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	6.0%	0.4%
Total	100.00%	

**F. Discount Rate**

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

**G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

**H. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**I. 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.



**TOWN OF SOUTH WINDSOR, CONNECTICUT  
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*Defined Contribution Plan*

**A. Plan Description**

The Town is the administrator of a single-employer, defined contribution pension plan, the Town of South Windsor Employee Benefit Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Plan covers Town nonbargaining unit employees, members of the Police Union hired after July 1, 2005 and members of the Public Works, Community Service officers and Pollution Control unions hired after July 1, 2008.

**B. Plan Provisions**

Town nonbargaining unit employees, members of the Police Union hired after July 1, 2005 and members of the Public Works, Community Service Officers and Pollution Control Unions hired after July 1, 2008 who have completed a 12-month period of service shall be eligible to participate in the Plan at the beginning of the payroll period next commencing thereafter. There is no minimum age requirement. For Police, Public Works, Community Service Officers and Pollution Control Union members, benefits vest 20% per year, reaching 100% after five years of participation. For Town nonbargaining unit employees, benefits vest 100% upon eligibility of the employee. Plan provisions and the authority to amend the provisions are established by the Town Council.

**C. Contribution Requirements and Contributions Made**

The employer contribution for members of the Police Union hired after July 1, 2005 and Public Works, Community Service Officers and Pollution Control Unions hired after July 1, 2008 is 6.0% of earnings. The total Town contribution during the year ended June 30, 2017 for these groups was \$113,232 and represented 6.0% of covered payroll. The employees' contributions were \$125,933 and represented the required 6.0% of covered payroll plus any additional contributions up to the IRS allowable maximum. The employer contribution for Town management group employees is 12.07% of earnings. The total Town contribution during the year ended June 30, 2017 for this group was \$351,288 and represented 12.07% of covered payroll. The employees' required contributions were \$138,949 and represented 4.5% of covered payroll. The authority to establish and amend contribution requirements is by the Town Council.

**D. Employer and Employee Obligations**

Members are required to contribute between 4.5% and 6.0% of their annual earnings. The Town is required to contribute between 6.0% and 12.07% of the members' annual earnings.

**10. OTHER POSTEMPLOYMENT BENEFITS**

**A. Plan Description**

The Town, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan is a single-employer plan that covers Police, Town, Teachers and Board of Education employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The Town does not issue separate stand-alone financial statements for the plan.

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

In the July 1, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The ARC reflects a closed 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 7% investment rate of return and inflation rate of 2.70%.

Management of the post-employment benefit plan is vested with the Town Manager and the Finance Office. General oversight is provided by the Pension Committee, which consist of nine members.

At July 1, 2015, plan membership consisted of the following:

Active members	846
Retired members	48
Beneficiaries	6
Spouses of retired members	<u>14</u>
Total Participants	<u><u>914</u></u>

## **B. Funding Policy**

The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town have also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums. The funding strategy for postemployment obligations is based on the following:

### **Teachers and Administrators**

- Those individuals retired under the Connecticut State Teachers Retirement system shall be eligible to receive health benefits for self and spouse.
- 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.
- 100% of premium is paid by retiree.

### **Board of Education SWESS (Support Staff), BOE Non-Union, BOE Custodians/Maintenance, BOE Food-Service Staff and BOE Nurses**

- A retired member shall be eligible to continue health benefits (medical only for Custodians/Maintenance and Nurses) for self and spouse.
- Retirement date is the later of age 62 or the completion of 10 years of service. Early retirement is the first of any month within 10 years of Normal Retirement Date.
- Nurses must be at least age 55 with 10 years of continuous service as a school nurse.
- 100% of premium is paid by retiree.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
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**Police**

- Completion of 25 years of service or attainment of age 50.
- The Town contributes 75% of the cost of the health insurance for members hired before July 1, 2006. Members hired after July 1, 2006 have the option of continuing medical benefits at their own expense. The retiree shall contribute the remainder of the cost. Coverage is pre-65 only.
- In the event of an employee's death in the line of duty, the Town shall contribute 100% of the health insurance cost coverage for spouse and dependents. Such contribution shall not exceed a period of 12 months.

**Town Hall Union and Non-Bargaining (Management and Library)**

- Retired employees with at least 10 years of service shall be eligible to continue health coverage at the Town's group rates.
- Retirement eligibility is age 62 for Town Hall and Management employees and age 65 for the Library.
- 100% of premium is paid by retiree.

**Town (Pollution Union, Dispatchers and Public Works)**

- Retired employees with attainment of age 60 may continue health coverage at the Town group rates.
- 100% of premium is paid by retiree.

**C. Investments**

**Investment Policy**

OPEB Benefit Plan's policy in regard to the allocation of invested assets is established and may be amended by the trust document. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**Rate of Return**

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was .56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**D. Net OPEB Liability of the Town**

During the year, the Town implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* (OPEB). This Statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. The components of the net OPEB liability of the Town at June 30, 2017, were as follows:

	<u><b>OPEB Plan</b></u>
Total OPEB Liability	\$ 11,219,357
Plan fiduciary net position	<u>2,066,538</u>
Net OPEB Liability	<u><u>\$ 9,152,819</u></u>
Plan fiduciary net position as a percentage of the total pension liability	18%

The Town's net OPEB liability will be required to be recorded on the government-wide financial statement of net position at June 30, 2018.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	3.00%, average, including inflation and graded by age for Teachers and Administrators
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.82-4.50% over 58 years
Amortization method	Level percent closed, 17 years for police, 22 years all others

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for males and females projected forward 19 years using Scale AA, with a two-year age setback. This assumption includes a margin for mortality improvements beyond the valuation date.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2013–June 30, 2015.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2017 are summarized in the following table:

<b>Asset Class</b>	<b>Targeted Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Core Fixed Income	22%	3%
U.S. Bank & Leveraged Loans	5%	3%
Global Bonds	5%	1%
U.S. Large Caps	14%	4%
U.S. Small Caps	4%	4%
U.S. Large Growth	10%	4%
U.S. Large Value	10%	3%
Non-U.S. Equity	15%	5%
Global REITs	5%	4%
Commodities	11%	1%
	<u>100%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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 a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current discount rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
Net OPEB Liability	\$ 10,214,241	\$ 9,152,819	\$ 8,212,827

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**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 (8.5 % decreasing to 4.55) or 1 percentage point higher (10.5% decreasing to 6.5%) than the current healthcare cost trend rates:

	<b>1% Decrease (6.82-3.50% over 58 years)</b>	<b>Current Trend Rate (7.82-4.50% Over 58 Years)</b>	<b>1% Increase (8.82-5.50% Over 58 Years)</b>
Net OPEB Liability	\$ 7,874,945	\$ 9,152,819	\$ 10,648,485

**E. Annual OPEB Cost and Net OPEB Obligation (Asset)**

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation (asset):

Annual required contribution (ARC)	\$ 880,974
Interest on OPEB obligation	(3,150)
Adjustment to annual required contribution	<u>(3,067)</u>
Annual OPEB cost	880,891
Contributions made	<u>880,974</u>
Change in net OPEB asset	(83)
Net OPEB asset, beginning of year	<u>(44,994)</u>
Net OPEB Asset, End of Year	\$ <u><u>(45,077)</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ended June 30, 2017 is presented below:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
6/30/2015	\$ 1,007,071	\$ 1,007,276	100	\$ (26,420)
6/30/2016	1,007,122	1,025,696	102	(44,994)
6/30/2017	880,891	880,974	100	(45,077)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
7/1/2011	\$ 488,000	\$ 8,021,000	\$ 7,533,000	6.1	\$ N/A	\$ N/A
7/1/2013	839,000	9,510,000	8,671,000	8.8	51,316,000	16.9%
7/1/2015	1,448,000	9,573,000	8,125,000	15.1	53,602,000	15.2%

**11. RISK MANAGEMENT**

The Town is exposed to various risks of loss including torts; public official liabilities; police liability; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain the risk for the Town and Board of Education employees' medical claims. This fund is reported as an Internal Service Fund. During the year, deductibles paid by the Town were insignificant. Settled claims have not exceeded insurance in any of the past three years. There were no significant reductions in insurance coverage from amounts held the prior year.

A third party administers the medical insurance plan for which the Town pays a fee. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 125% of expected claims and for individual claims exceeding \$175,000.

The medical insurance fund is substantially funded by the Town's General Fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability is based on the requirements of GASB Statements Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
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An analysis of the activity in the claims liability for the medical insurance fund is as follows:

	<b>Claims Payable July 1</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Claims Payable June 30</b>
Medical Insurance Fund:				
2014-2015	\$ 929,000	\$ 16,103,648	\$ 16,048,648	\$ 984,000
2015-2016	984,000	17,676,031	17,470,724	1,189,307
2016-2017	1,189,307	16,001,701	16,015,008	1,176,000

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence.

## **12. CONTINGENT LIABILITIES**

There are various suits and claims pending against the Town, none of which, individually or in the aggregate, is believed by counsel to be likely to result in a judgment or judgments that would materially affect the Town's financial position.

## **13. TAX ABATEMENTS**

The Town has entered into multiple tax abatement agreements with developers and real property owners in order to assist in the economic development of the Town. The Town has agreed to provide a reduction to the real property assessments for a period of time to offset the cost of developing the area pursuant to Chapter 203 of the Connecticut General Statutes. The Town reduced its property tax revenue by \$ 808,611 for the year ended June 30, 2017.



#### **14. SUBSEQUENT EVENTS**

On August 10, 2017, the Town issued \$4,125,000 of General Obligation Refunding Bonds with interest rates between 2.00% and 4.00% and a final maturity of August 15, 2033. The bonds were issued to advance refund of the 2014 General Obligation Bonds of \$5,410,000.

# **Required Supplementary Information**

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Property Taxes:				
Current taxes	\$ 93,510,040	\$ 93,510,040	\$ 93,215,251	\$ (294,789)
Delinquent taxes	700,000	700,000	526,461	(173,539)
Supplemental motor vehicles	750,000	750,000	1,118,607	368,607
Interest	450,000	450,000	530,394	80,394
Liens	5,000	5,000	6,016	1,016
Housing authority - PILOT (in lieu of taxes)	20,000	20,000	26,194	6,194
Telephone access relief	40,000	40,000	60,347	20,347
Total property taxes	<u>95,475,040</u>	<u>95,475,040</u>	<u>95,483,270</u>	<u>8,230</u>
Intergovernmental:				
State assistance - education:				
Education equalization	12,486,098	12,486,098	12,231,269	(254,829)
Other assistance:				
Elderly tax freeze	3,600	3,600	3,726	126
State in lieu of taxes	54,351	54,351	54,429	78
DOT Elderly Transportation	33,444	33,444	25,083	(8,361)
Elderly tax relief	150,000	150,000	149,185	(815)
State sundry grants			29,759	29,759
Youth service grants	20,000	20,000	20,521	521
Manufacturer's equipment and machinery	558,715	558,715	558,715	-
Municipal grants-in-aid	1,338,190	1,338,190	1,338,190	-
Veterans' exemption	15,000	15,000	16,878	1,878
Total intergovernmental	<u>14,659,398</u>	<u>14,659,398</u>	<u>14,427,755</u>	<u>(231,643)</u>
Charges for Services:				
Building permits	600,000	600,000	710,420	110,420
Probate court rentals	7,000	7,000	9,149	2,149
Town Clerk fees	500,000	500,000	659,601	159,601
Planning and zoning fees	12,500	12,500	23,924	11,424
General government sundry	120,000	120,000	221,009	101,009
Police	26,000	26,000	27,619	1,619
Recycling rebate			63,409	63,409
Engineering permits	5,000	5,000	4,600	(400)
Zoning board of appeals	1,000	1,000	910	(90)
Refuse and recycling	125,000	125,000	64,112	(60,888)
Fire Marshal fees	75,000	75,000	48,424	(26,576)
Total charges for services	<u>1,471,500</u>	<u>1,471,500</u>	<u>1,833,177</u>	<u>361,677</u>
Investment Earnings	<u>50,000</u>	<u>50,000</u>	<u>226,526</u>	<u>176,526</u>
Other Revenues:				
Cancellation of prior year encumbrances			118,957	118,957
Total Revenues	<u>111,655,938</u>	<u>111,655,938</u>	<u>112,089,685</u>	<u>433,747</u>

(Continued on next page)

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Other Financing Sources:				
Transfers in:				
Sewer Operating	\$ 37,240	\$ 37,240	\$ 37,240	\$ -
Library funds	20,000	20,000	15,215	(4,785)
Premiums on bond issuance			739,043	739,043
Fund balance appropriation	<u>850,000</u>	<u>850,000</u>		<u>(850,000)</u>
Total other financing sources	<u>907,240</u>	<u>907,240</u>	<u>791,498</u>	<u>(115,742)</u>
Total Revenues and Other Financing Sources	<u>\$ 112,563,178</u>	<u>\$ 112,563,178</u>	112,881,183	<u>\$ 318,005</u>
Budgetary revenues are different from GAAP revenues because:				
Cancellation of prior year encumbrances are recognized as budgetary revenue			(118,957)	
State on-behalf payments			<u>12,923,442</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 125,685,668</u>	

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over) Under</u>
General Government:				
Legislative:				
Town Council	\$ 222,105	\$ 225,105	206,306	\$ 18,799
Boards and Commissions:				
Human relations commission	2,500	2,500	2,347	153
Historic district commission	1,000	1,000	498	502
Public building commission	520	2,106	2,106	-
South Windsor redevelopment	1,000	1,000		1,000
Inland/wetlands - conservation	7,025	5,439	4,620	819
Land preservation advisory	300	300		300
Open space task force	500	500		500
Park and recreation commission	4,500	4,500	972	3,528
Planning and zoning	8,150	9,139	9,139	-
Zoning board of appeals	2,500	2,613	2,613	-
Economic Development	12,800	12,800		12,800
Economic development coordinator	4,500	3,397	2,689	708
Total boards and commissions	<u>45,295</u>	<u>45,294</u>	<u>24,984</u>	<u>20,310</u>
Judicial:				
Probate court	17,750	17,750	14,064	3,686
Elections:				
Registrar of voters	157,245	165,745	156,010	9,735
Executive:				
Town manager	241,134	248,634	237,230	11,404
Human resources	146,204	149,739	131,324	18,415
Total executive	<u>387,338</u>	<u>398,373</u>	<u>368,554</u>	<u>29,819</u>
Community Development:				
Planning department	248,581	248,581	242,481	6,100
Building department	221,790	221,491	217,731	3,760
Total community development	<u>470,371</u>	<u>470,072</u>	<u>460,212</u>	<u>9,860</u>
Finance:				
Assessor	285,954	278,299	278,299	-
Collector of revenue	229,424	247,653	247,652	1
Finance office	334,890	330,568	329,791	777
Total finance	<u>850,268</u>	<u>856,520</u>	<u>855,742</u>	<u>778</u>
Recording and Reporting:				
Town clerk	231,976	231,976	218,699	13,277
Law:				
Town attorney	175,000	168,748	166,644	2,104
Central Services:				
Town Hall	265,436	265,436	231,270	34,166
Information technology	892,349	892,349	856,610	35,739
Media	37,970	37,970	35,480	2,490
Total central services	<u>1,195,755</u>	<u>1,195,755</u>	<u>1,123,360</u>	<u>72,395</u>
Total general government	<u>3,753,103</u>	<u>3,775,338</u>	<u>3,594,575</u>	<u>180,763</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over) Under</u>
Public Safety:				
Police Protection:				
Police administration	\$ 484,548	\$ 568,318	545,480	\$ 22,838
Operations	3,816,407	3,668,007	3,479,321	188,686
Support services	1,939,687	1,993,317	1,880,021	113,296
Community services	169,570	180,570	169,745	10,825
Total police protection	<u>6,410,212</u>	<u>6,410,212</u>	<u>6,074,567</u>	<u>335,645</u>
Fire Protection:				
Fire marshal	215,243	215,244	203,979	11,265
Volunteer fire department	900,960	900,960	900,960	-
Hydrants and water lines	794,300	806,804	806,804	-
Total fire protection	<u>1,910,503</u>	<u>1,923,008</u>	<u>1,911,743</u>	<u>11,265</u>
Emergency management	<u>204,771</u>	<u>187,272</u>	<u>122,252</u>	<u>65,020</u>
Other protection:				
Street lights	<u>452,500</u>	<u>457,494</u>	<u>457,494</u>	<u>-</u>
Total public safety	<u>8,977,986</u>	<u>8,977,986</u>	<u>8,566,056</u>	<u>411,930</u>
Public Works:				
Administration:				
Management	<u>147,753</u>	<u>147,753</u>	<u>145,775</u>	<u>1,978</u>
Engineering:				
Technical support	<u>453,928</u>	<u>453,929</u>	<u>440,971</u>	<u>12,958</u>
Street Services:				
Highway maintenance	2,899,596	2,899,596	2,883,571	16,025
Fleet services	955,316	955,317	894,221	61,096
Total street services	<u>3,854,912</u>	<u>3,854,913</u>	<u>3,777,792</u>	<u>77,121</u>
Public Buildings:				
Building maintenance	<u>1,664,893</u>	<u>1,664,893</u>	<u>1,397,720</u>	<u>267,173</u>
Pollution Control:				
Refuse and recycling	<u>1,975,214</u>	<u>1,975,214</u>	<u>1,903,489</u>	<u>71,725</u>
Total public works	<u>8,096,700</u>	<u>8,096,702</u>	<u>7,665,747</u>	<u>430,955</u>
Human Services:				
Conservation of Health:				
Environmental health	173,958	188,358	156,228	32,130
Visiting nurse community care	14,696	12,458	5,280	7,178
Total conservation of health	<u>188,654</u>	<u>200,816</u>	<u>161,508</u>	<u>39,308</u>
Human service programs:				
Administration	85,597	90,435	88,896	1,539
Youth and family services	285,841	283,241	273,083	10,158
Adult and senior services	384,066	371,164	357,137	14,027
Mini-bus service	70,366	83,268	83,269	(1)
Sheltered workshops	2,697	2,697	2,697	-
Total human services programs	<u>828,567</u>	<u>830,805</u>	<u>805,082</u>	<u>25,723</u>
Total human services	<u>1,017,221</u>	<u>1,031,621</u>	<u>966,590</u>	<u>65,031</u>

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget (Over) Under</b>
Culture and Recreation:				
Recreation administration	\$ 1,990,980	\$ 1,990,980	1,860,965	\$ 130,015
Library	1,063,027	1,063,027	1,059,435	3,592
Total culture and recreation	<u>3,054,007</u>	<u>3,054,007</u>	<u>2,920,400</u>	<u>133,607</u>
Education	<u>71,752,070</u>	<u>71,752,070</u>	<u>71,752,070</u>	<u>-</u>
Insurance and Benefits:				
Municipal insurance:				
Insurance - casualty	<u>269,217</u>	<u>269,217</u>	<u>226,887</u>	<u>42,330</u>
Pension Contributions:				
Pension	2,181,695	2,211,357	2,211,356	1
Social security	<u>1,059,397</u>	<u>1,026,793</u>	<u>971,895</u>	<u>54,898</u>
Total pension contributions	<u>3,241,092</u>	<u>3,238,150</u>	<u>3,183,251</u>	<u>54,899</u>
Health and life insurance	<u>3,232,218</u>	<u>2,666,105</u>	<u>2,432,131</u>	<u>233,974</u>
Workers' compensation	<u>390,846</u>	<u>390,846</u>	<u>390,756</u>	<u>90</u>
Unemployment compensation	<u>15,000</u>	<u>23,883</u>	<u>23,883</u>	<u>-</u>
Salary Contingency	<u>25,000</u>	<u>13,965</u>		<u>13,965</u>
Total insurance and benefits	<u>7,173,373</u>	<u>6,602,166</u>	<u>6,256,908</u>	<u>345,258</u>
Other:				
Contingency	115,000	72,600	38,000	34,600
South Windsor patriotic commission	13,500	15,058	15,058	-
Cemeteries	8,000	12,000	12,000	-
Wood Memorial Library	<u>7,500</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>
Total other	<u>144,000</u>	<u>112,158</u>	<u>77,558</u>	<u>34,600</u>
Debt Service:				
Principal	4,608,380	4,538,380	4,538,380	-
Interest	<u>2,722,125</u>	<u>2,792,125</u>	<u>2,732,961</u>	<u>59,164</u>
Total debt service	<u>7,330,505</u>	<u>7,330,505</u>	<u>7,271,341</u>	<u>59,164</u>
Total expenditures	111,298,965	110,732,553	109,070,821	1,661,308
Other Financing Uses:				
Transfer out	<u>1,264,213</u>	<u>1,830,326</u>	<u>1,830,326</u>	<u>-</u>
Total	<u>\$ 112,563,178</u>	<u>\$ 112,562,879</u>	110,901,147	<u>\$ 1,661,308</u>

Budgetary expenditures are different from GAAP expenditures because:  
 Encumbrances for purchases and commitments ordered but not received  
 are reported in the year the order is placed for budgetary purposes, but in  
 the year received for financial reporting purposes  
 Accrued payroll not budgeted  
 State on-behalf payments  
 Net bond issuance costs are not budgeted for

756,732  
 50,181  
 12,923,442  
94,240

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

\$ 124,725,742

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - SEWER OPERATING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ 4,405,366	\$ 4,405,366	\$ 4,579,720	\$ 174,354
Intergovernmental revenue	50,000	50,000		(50,000)
Investment income	65	65	110	45
Miscellaneous	123,900	123,900	181,870	57,970
Total revenues	<u>4,579,331</u>	<u>4,579,331</u>	<u>4,761,700</u>	<u>182,369</u>
Expenditures:				
Full time salaries	938,724	938,724	987,301	(48,577)
Overtime	50,324	80,324	104,121	(23,797)
Longevity		700	700	
Employee benefits	502,289	500,359	500,164	195
Office supplies	1,300	1,300	1,289	11
Operating material	78,000	78,000	89,493	(11,493)
Motor vehicle supplies	24,000	24,000	37,300	(13,300)
Uniforms and clothing	14,250	9,750	6,528	3,222
Fleet and equipment repair	60,000	70,507	63,965	6,542
Advertising		723	723	
Professional	155,999	152,355	145,673	6,682
Rental and leases	17,970	22,470	91,725	(69,255)
Utilities	491,450	491,450	453,740	37,710
Maintenance contracts	496,080	466,080	474,400	(8,320)
Repair and maintenance equipment	19,000	19,000	71,121	(52,121)
Fees and memberships	1,520	1,520	18	1,502
Recruitment and training	26,500	16,500	13,886	2,614
Other purchase services	296,500	296,500	315,074	(18,574)
Capital projects	45,000	45,000	10,287	34,713
Department equipment	41,600	45,244	45,139	105
Boards and Commissions - Office supplies	50	50	43	7
Boards and Commissions - Advertising	850	850	861	(11)
Boards and Commissions - Office equipment				
Debt service	312,210	312,210	312,208	2
Total expenditures	<u>3,573,616</u>	<u>3,573,616</u>	<u>3,725,759</u>	<u>(152,143)</u>
Excess of Revenues over Expenditures	1,005,715	1,005,715	1,035,941	30,226
Other Financing Sources and Uses:				
Transfers in	23,000	23,000	28,350	5,350
Transfers out	(718,240)	(718,240)	(772,240)	(54,000)
Net Change in Fund Balance	<u>\$ 310,475</u>	<u>\$ 310,475</u>	292,051	<u>\$ (18,424)</u>
Fund Balance at July 1, 2016			545,265	
Fund Balance at June 30, 2017			<u>\$ 837,316</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>
Balance, Budgetary Basis - June 30, 2017	\$ 4,761,700	\$ 3,725,759
Accrued payroll not budgeted		3,838
Encumbrances outstanding at June 30, 2016 liquidated and cancelled during the year ended June 30, 2017	(9,156)	1,184
Encumbrances charged to budgetary expenditures during the year ended June 30, 2017		(21,122)
Balance, GAAP Basis - June 30, 2017	<u>\$ 4,752,544</u>	<u>\$ 3,709,659</u>



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**TOWN PLAN**  
**LAST FOUR FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability:				
Service cost	\$ 344,193	\$ 597,904	\$ 566,952	\$ 532,281
Interest	2,494,478	2,658,282	2,931,266	3,052,104
Differences between expected and actual experience		1,272,460	234,828	(996,542)
Changes of assumptions	3,396,197	(1,861,513)	3,242,915	1,164,263
Benefit payments, including refunds of member contributions	(1,680,365)	(1,591,710)	(1,796,252)	(1,797,376)
Administrative expense	(75,832)			
Net change in total pension liability	4,478,671	1,075,423	5,179,709	1,954,730
Total pension liability - beginning	31,714,877	36,193,548	37,268,971	42,448,680
Total pension liability - ending	36,193,548	37,268,971	42,448,680	44,403,410
Plan fiduciary net position:				
Contributions - employer	1,867,793	1,727,470	1,727,470	1,820,733
Contributions - member	257,692	382,108	345,568	397,315
Net investment income (loss)	3,279,002	70,803	(276,685)	2,772,961
Benefit payments, including refunds of member contributions	(1,680,365)	(1,591,710)	(1,796,252)	(1,797,376)
Administrative expense	(75,832)	(40,061)	(72,564)	(71,177)
Net change in plan fiduciary net position	3,648,290	548,610	(72,463)	3,122,456
Plan fiduciary net position - beginning	18,906,056	22,654,346	23,202,956	23,130,493
Plan fiduciary net position - ending	22,554,346	23,202,956	23,130,493	26,252,949
Net Pension Liability - Ending	\$ <u>13,639,202</u>	\$ <u>14,066,015</u>	\$ <u>19,318,187</u>	\$ <u>18,150,461</u>
Plan fiduciary net position as a percentage of the total pension liability	62.32%	62.26%	54.49%	59.12%
Covered-employee payroll	\$ 4,749,846	\$ 4,716,701	\$ 4,716,701	\$ 4,540,844
Net pension liability as a percentage of covered-employee	287.15%	298.22%	409.57%	399.72%

**Notes to Schedule:**

*Changes of assumptions:* In 2016, amounts reported as changes of assumptions resulted from the change in the discount rate from 8.5% to 7.25%. In 2017, amounts reported as changes in assumptions resulted from the change in the discount rate from 7.25% to 7.00%.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**BOARD OF EDUCATION PLAN**  
**LAST FOUR FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability:				
Service cost	\$ 225,029	\$ 359,500	\$ 391,848	\$ 378,717
Interest	920,994	986,463	1,108,213	1,167,003
Differences between expected and actual experience	543,345	460,218	28,823	(566,948)
Changes of assumptions			1,346,357	407,690
Benefit payments, including refunds of member contributions	(655,604)	(599,078)	(642,569)	(710,700)
Administrative expense	(43,468)			
Net change in total pension liability	990,296	1,207,103	2,232,672	675,762
Total pension liability - beginning	11,636,936	12,627,232	13,834,335	16,067,007
Total pension liability - ending	12,627,232	13,834,335	16,067,007	16,742,769
Plan fiduciary net position:				
Contributions - employer	922,555	268,665	535,965	549,460
Contributions - member	197,927	196,719	203,726	190,579
Net investment income (loss)	1,681,148	30,643	(126,326)	1,390,852
Benefit payments, including refunds of member contributions	(655,604)	(599,078)	(642,569)	(710,700)
Administrative expense	(43,468)	(25,907)	(42,202)	(43,369)
Net change in plan fiduciary net position	2,102,558	(128,958)	(71,406)	1,376,822
Plan fiduciary net position - beginning	10,016,519	12,119,077	11,990,119	11,918,713
Plan fiduciary net position - ending	12,119,077	11,990,119	11,918,713	13,295,535
Net Pension Liability - Ending	\$ <u>508,155</u>	\$ <u>1,844,216</u>	\$ <u>4,148,294</u>	\$ <u>3,447,234</u>
Plan fiduciary net position as a percentage of the total pension liability	95.98%	86.67%	74.18%	79.41%
Covered-employee payroll	\$ 3,122,271	\$ 3,122,271	\$ 3,122,271	\$ 3,274,814
Net pension liability as a percentage of covered-employee	16.28%	59.07%	132.86%	105.27%

**Notes to Schedule:**

*Changes of assumptions:* In 2017, amounts reported as changes in assumptions resulted from the change in the discount rate from 7.25% to 7.00%.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TOWN PLAN  
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,105,236	\$ 1,220,118	\$ 1,573,634	\$ 1,500,972	\$ 1,583,496	\$ 1,697,994	\$ 1,686,734	\$ 1,727,470	\$ 1,727,470	\$ 1,820,733
Contributions in relation to the actuarially determined contribution	<u>668,914</u>	<u>826,338</u>	<u>963,169</u>	<u>1,278,427</u>	<u>1,343,147</u>	<u>1,697,994</u>	<u>1,867,793</u>	<u>1,727,470</u>	<u>1,727,470</u>	<u>1,820,733</u>
Contribution Deficiency (Excess)	<u>\$ 436,322</u>	<u>\$ 393,780</u>	<u>\$ 610,465</u>	<u>\$ 222,545</u>	<u>\$ 240,349</u>	<u>\$ -</u>	<u>\$ (181,059)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,771,476	\$ 4,962,230	\$ 5,239,328	\$ 5,427,342	\$ 5,337,789	\$ 5,352,711	\$ 4,749,846	\$ 4,716,701	\$ 4,716,701	\$ 4,540,844
Contributions as a percentage of covered-employee payroll	14.02%	16.65%	18.38%	23.56%	25.16%	31.72%	39.32%	36.62%	36.62%	40.10%

**Notes to Schedule**

Valuation date: July 1, 2016

Measurement date: June 30, 2017

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	28 years
Asset valuation method	5-year smoothed market
Inflation	2.7%
Salary increases	3.0%, average, including inflation
Turnover	Graded rates by age
Investment rate of return	7.00%
Retirement age	Age 55 for Dispatchers, Age 60 for Pollution and Public Works, earlier of Age 50 or 25 years of service for Police and Age 62 for Management, Town Hall and Library.
Disability	Disability among active lives is discounted in advance according to a scale based on attained ages.
Spouse Benefits	80% of all participants are assumed to be married. Wives are assumed to be one year younger than their husbands.
Mortality	Combined Healthy Mortality with generational projection per Scale BB

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
BOARD OF EDUCATION PLAN  
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 483,721	\$ 429,319	\$ 522,765	\$ 487,057	\$ 481,339	\$ 443,288	\$ 450,378	\$ 535,965	\$ 535,965	\$ 549,460
Contributions in relation to the actuarially determined contribution	<u>833,712</u>	<u>354,000</u>	<u>432,575</u>	<u>407,333</u>	<u>752,056</u>	<u>518,288</u>	<u>922,555</u>	<u>268,665</u>	<u>535,965</u>	<u>549,460</u>
Contribution Deficiency (Excess)	<u>\$ (349,991)</u>	<u>\$ 75,319</u>	<u>\$ 90,190</u>	<u>\$ 79,724</u>	<u>\$ (270,717)</u>	<u>\$ (75,000)</u>	<u>\$ (472,177)</u>	<u>\$ 267,300</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,232,684	\$ 3,321,753	\$ 3,512,067	\$ 3,652,821	\$ 3,419,019	\$ 3,012,321	\$ 3,085,477	\$ 3,122,271	\$ 3,122,271	\$ 3,274,814
Contributions as a percentage of covered-employee payroll	25.79%	10.66%	12.32%	11.15%	22.00%	17.21%	29.90%	8.60%	17.17%	16.78%

**Notes to Schedule**

Valuation date: July 1, 2016

Measurement date: June 30, 2017

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	28 years
Asset valuation method	5-year smoothed market
Inflation	2.7%
Salary increases	3.0%, average, including inflation
Turnover	Graded rates by age
Investment rate of return	7.00%
Retirement age	Age 60 for Custodians/Maintainers, Age 62 for all others
Disability	Disability among active lives is discounted in advance according to a scale based on attained ages.
Spouse Benefits	80% of all participants are assumed to be married. Wives are assumed to be one year younger than their husbands.
Mortality	Combined Healthy Mortality with generational projection per Scale BB

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF INVESTMENT RETURNS**  
**LAST FOUR FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense:				
Town Plan	16.37%	0.30%	-1.15%	11.54%
Board of Education Plan	16.90%	0.26%	-1.07%	11.64%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>84,668,946</u>	<u>91,603,357</u>	<u>118,505,418</u>
Total	<u>\$ 84,668,946</u>	<u>\$ 91,603,357</u>	<u>\$ 118,505,418</u>
Town's covered-employee payroll	\$ 54,350,173	\$ 56,460,373	\$ 57,676,185
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase 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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB PLAN**  
**LAST FISCAL YEAR**

	<b>2017</b>
Total pension liability:	
Service cost	\$ 300,153
Interest	752,807
Benefit payments, including refunds of member contributions	(566,113)
Net change in total pension liability	486,847
Total pension liability - beginning	10,732,510
Total pension liability - ending	11,219,357
Plan fiduciary net position:	
Contributions - employer	880,974
Net investment income	11,450
Benefit payments, including refunds of member contributions	(566,113)
Administrative expense	(1,125)
Net change in plan fiduciary net position	325,186
Plan fiduciary net position - beginning	1,741,352
Plan fiduciary net position - ending	2,066,538
Net Pension Liability - Ending	\$ 9,152,819
Plan fiduciary net position as a percentage of the total pension liability	18.42%
Covered-employee payroll	\$ 53,602,318
Net pension liability as a percentage of covered-employee payroll	17.08%

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB PLAN**  
**LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$	\$ 631,000	\$ 665,000	\$ 700,000	\$ 700,000	\$ 864,000	\$ 864,000	\$ 1,007,276	\$ 1,007,276	\$ 880,974
Contributions in relation to the actuarially determined contribution		<u>631,000</u>	<u>671,000</u>	<u>700,000</u>	<u>658,000</u>	<u>864,000</u>	<u>927,000</u>	<u>1,007,276</u>	<u>1,025,696</u>	<u>880,974</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,000)</u>	\$ <u>-</u>	\$ <u>42,000</u>	\$ <u>-</u>	\$ <u>(63,000)</u>	\$ <u>-</u>	\$ <u>(18,420)</u>	\$ <u>-</u>
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 51,315,810	\$ 51,315,810	\$ 53,602,318
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.96%	2.00%	1.64%



**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OPEB PLAN  
LAST FISCAL YEAR**

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**2017**

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Annual money-weighted rate of return, net of investment expense:

0.56%

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

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

# General Fund

## **General Fund**

To account for the general operations of the Town, except those required to be accounted for in another fund.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 30,266,460	\$ 34,992,842
Property taxes receivable (net of allowance of \$878,477 and \$795,904, respectively)	2,940,991	2,664,547
Intergovernmental receivables	21,522	21,522
Other accounts receivable	2,219,355	2,154,842
Due from other funds	468,381	329,253
Prepaid items	<u>2,442</u>	
Total Assets	<u>\$ 35,919,151</u>	<u>\$ 40,163,006</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 3,101,447	\$ 2,508,821
Due to other funds	<u>15,832,198</u>	<u>23,259,416</u>
Total liabilities	<u>18,933,645</u>	<u>25,768,237</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	4,860,737	4,237,123
Advance property tax collections	<u>1,032,963</u>	<u>25,766</u>
Total deferred inflows of resources	<u>5,893,700</u>	<u>4,262,889</u>
Fund balance:		
Nonspendable	2,442	
Assigned	1,621,867	2,096,625
Unassigned	<u>9,467,497</u>	<u>8,035,255</u>
Total fund balance	<u>11,091,806</u>	<u>10,131,880</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 35,919,151</u>	<u>\$ 40,163,006</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2017**

Grand List	Uncollected Taxes July 1, 2016	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2017
		Additions	Deductions			Taxes	Interest	Total	
2015	\$ 95,980,831	\$ 678,762	\$ 1,157,117	\$	\$ 95,502,476	\$ 94,247,010	\$ 243,808	\$ 94,490,818	\$ 1,255,466
2014	1,002,795	21,492	52,873		971,414	413,996	98,039	512,035	557,418
2013	622,249	140	23,878		598,511	175,653	65,389	241,042	422,858
2012	412,042	173	12,915		399,300	82,396	45,585	127,981	316,904
2011	256,955	59	6,779		250,235	52,191	42,493	94,684	198,044
2010	185,875		23		185,852	39,827	31,345	71,172	146,025
2009	180,929		3		180,926	9,075	10,054	19,129	171,851
2008	149,394				149,394	3,184	4,892	8,076	146,210
2007	99,442				99,442	(5,738)	396	(5,342)	105,180
2006	84,526				84,526	(5,203)	44	(5,159)	89,729
2005	79,812				79,812	(5,239)	(98)	(5,337)	85,051
2004	77,985				77,985	(5,265)	(441)	(5,706)	83,250
2003	76,228				76,228	(5,146)	(2,335)	(7,481)	81,374
2002	73,161	18			73,179	(4,895)	(3,145)	(8,040)	78,074
2001	82,034				82,034		182	182	82,034
2000	77,024		77,024		-			-	-
	<u>\$ 99,441,282</u>	<u>\$ 700,644</u>	<u>\$ 1,330,612</u>	<u>\$ -</u>	<u>\$ 98,811,314</u>	<u>\$ 94,991,846</u>	<u>\$ 536,208</u>	95,528,054	<u>\$ 3,819,468</u>

Property taxes receivable considered available:

June 30, 2016

(316,194)

June 30, 2017

181,802

Total Property Tax Revenue

\$ 95,393,662

# Nonmajor Governmental Funds

## **Special Revenue Funds**

Special revenue funds are used to account for proceeds of several revenue sources that are legally restricted to expenditures for specific purposes. The Town's special revenue funds are:

**Town Aid Road** – To account for improvements to Town roads funded by State funds.

**Animal Control** – To account for the operation of animal control. Funding provided by license fees and fines.

**Town Hall Grants** – To account for monies for employee participation programs

**Public Works Funds** – To account for road patch and special public works projects. Funded by Town appropriation and capital monies.

**Police Funds** – To account for revenues and expenditures related to services provided by the police department.

**Fees in Lieu of Open Space** – To account for development funds for specified Planning and Zoning projects.

**Library** – To account for monies received for acquisition of books, materials and other related library services.

**Recreation** – To account for program activities administered by the Parks and Recreation Department that are funded by participation fees.

**BOE Funds** – To account for monies in a reserve for special education.

**Education Grants** – To account for state and federal educational grants received through the State Department of Education.

**Cafeteria** – To account for operation of public school food programs. Funding is provided from the sale of food, federal grants and state grants.

**BOE Accommodations** – To account for medical and dental costs funded by Cobra participants.

**High School Athletic Association** – To separately account for school athletic programs. Funding is through participation fees.

**Human Services Fund** – To account for programs and activities administered by Adult & Senior Services and Youth & Family Services. Financing is provided by grants, fees and contributions.

**Community Use of Buildings** – To account for user charges and expenditures associated with after school use of Board of Education facilities by outside organizations.

**Fire Marshall Fund** – To account for services and programs administered for fire prevention. Funding is provided by grants and donations.

**Lead Poison Prevention** – To account for state revenues received for programs and materials administered by the Health Department.

**Regional Animal Shelter** – To account for the operation of a regional animal control facility. Funding provided by participation fees, grants and donations.

**IT Reserve Fund** – To account for funds of participants of a regional Information Technology program.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue Funds						
	Town Aid Road	Animal Control	Town Hall Grants	Public Works Funds	Police Funds	Fees in Lieu of Open Space	Library
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	1,330	\$	\$ 97,731
Investments							101,037
Receivables:							
Accounts receivable							
Grants and contracts receivable							
Due from other funds	302,540	50,871	146,273	101,597	105,428	12,912	
Other assets							
Total Assets	\$ 302,540	\$ 50,871	\$ 146,273	\$ 101,597	\$ 106,758	\$ 12,912	\$ 198,768
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 68,990	\$ 12,275	\$ 1,148	\$ 6,640	\$ 5,694	\$	\$
Due to other funds							
Unearned revenue							
Total liabilities	68,990	12,275	1,148	6,640	5,694	-	-
Fund Balances:							
Nonspendable							
Restricted	233,550		145,125	94,957	101,064		
Committed		38,596				12,912	198,768
Total fund balances	233,550	38,596	145,125	94,957	101,064	12,912	198,768
Total Liabilities and Fund Balances	\$ 302,540	\$ 50,871	\$ 146,273	\$ 101,597	\$ 106,758	\$ 12,912	\$ 198,768

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2017**

	Special Revenue Funds						
	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodation	High School Athletic Association	Human Services Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 434,537	\$ 62,620	\$ 624,169	\$ 461,324	\$ 94,411	\$	\$
Investments							
Receivables:							
Accounts receivable					1,939	2,581	1,454
Grants and contracts receivable				62,096			
Due from other funds	1,659,325	1,038		23,201			312,002
Other assets			5,225				
Total Assets	<u>\$ 2,093,862</u>	<u>\$ 63,658</u>	<u>\$ 629,394</u>	<u>\$ 546,621</u>	<u>\$ 96,350</u>	<u>\$ 2,581</u>	<u>\$ 313,456</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 73,409	\$ 967	\$ 141,921	\$ 79,460	\$ 11,839	\$ 193	\$ 10,609
Due to other funds		8,072	138,773	321,536		1,038	
Unearned revenue	341,662		21,763	73,178	80,524		
Total liabilities	<u>415,071</u>	<u>9,039</u>	<u>302,457</u>	<u>474,174</u>	<u>92,363</u>	<u>1,231</u>	<u>10,609</u>
Fund Balances:							
Nonspendable			5,225	23,201			
Restricted			321,712				302,847
Committed	1,678,791	54,619		49,246	3,987	1,350	
Total fund balances	<u>1,678,791</u>	<u>54,619</u>	<u>326,937</u>	<u>72,447</u>	<u>3,987</u>	<u>1,350</u>	<u>302,847</u>
Total Liabilities and Fund Balances	<u>\$ 2,093,862</u>	<u>\$ 63,658</u>	<u>\$ 629,394</u>	<u>\$ 546,621</u>	<u>\$ 96,350</u>	<u>\$ 2,581</u>	<u>\$ 313,456</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2017**

	Special Revenue Funds					Interfund Elimination	Total Nonmajor Governmental Funds
	Community Use of Buildings	Fire Marshall Fund	Lead Poison Prevention	Regional Animal Shelter	IT Reserve Fund		
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$	\$ 200	\$	\$	\$ 1,776,322
Investments							101,037
Receivables:							
Accounts receivable							5,974
Grants and contracts receivable							62,096
Due from other funds	141,093	55	6,104	36,991	194,266	(1,038)	3,069,457
Other assets							28,426
Total Assets	<u>\$ 141,093</u>	<u>\$ 55</u>	<u>\$ 6,104</u>	<u>\$ 37,191</u>	<u>\$ 194,266</u>	<u>\$ (1,038)</u>	<u>\$ 5,043,312</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 3	\$	\$	\$ 1,952	\$ 1,098	\$	\$ 416,198
Due to other funds						(1,038)	468,381
Unearned revenue							517,127
Total liabilities	<u>3</u>	<u>-</u>	<u>-</u>	<u>1,952</u>	<u>1,098</u>	<u>(1,038)</u>	<u>1,401,706</u>
Fund Balances:							
Nonspendable							28,426
Restricted		55	6,104				1,205,414
Committed	141,090			35,239	193,168		2,407,766
Total fund balances	<u>141,090</u>	<u>55</u>	<u>6,104</u>	<u>35,239</u>	<u>193,168</u>	<u>-</u>	<u>3,641,606</u>
Total Liabilities and Fund Balances	<u>\$ 141,093</u>	<u>\$ 55</u>	<u>\$ 6,104</u>	<u>\$ 37,191</u>	<u>\$ 194,266</u>	<u>\$ (1,038)</u>	<u>\$ 5,043,312</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds						
	Town Aid Road	Animal Control	Town Hall Grants	Public Works Funds	Police	Fees in Lieu of Open Space	Library
Revenues:							
Intergovernmental	\$ 380,283	\$	\$ 7,241	\$ 24,000	\$ 28,471	\$	\$ 11,756
Charges for services and assessments		22,421	34,355		46,805		17,027
Investment earnings					7		15,152
Miscellaneous				50,062			35,799
Total revenues	<u>380,283</u>	<u>22,421</u>	<u>41,596</u>	<u>74,062</u>	<u>75,283</u>	<u>-</u>	<u>79,734</u>
Expenditures:							
Current:							
General government			4,371			104,801	
Public safety		12,500			141,452		
Public works	330,949		3,685	59,470			
Human services							
Culture and recreation							28,514
Education							
Total expenditures	<u>330,949</u>	<u>12,500</u>	<u>8,056</u>	<u>59,470</u>	<u>141,452</u>	<u>104,801</u>	<u>28,514</u>
Excess (Deficiency) of Revenues over Expenditures	49,334	9,921	33,540	14,592	(66,169)	(104,801)	51,220
Other Financing Uses:							
Transfer out							(15,215)
Net Change in Fund Balance	49,334	9,921	33,540	14,592	(66,169)	(104,801)	36,005
Fund Balances at Beginning of Year	<u>184,216</u>	<u>28,675</u>	<u>111,585</u>	<u>80,365</u>	<u>167,233</u>	<u>117,713</u>	<u>162,763</u>
Fund Balances at End of Year	<u>\$ 233,550</u>	<u>\$ 38,596</u>	<u>\$ 145,125</u>	<u>\$ 94,957</u>	<u>\$ 101,064</u>	<u>\$ 12,912</u>	<u>\$ 198,768</u>

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds						
	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodations	High School Athletics Association	Human Services Fund
Revenues:							
Intergovernmental	\$	\$ 4,445	\$ 3,919,067	\$ 422,217	\$	\$	\$ 14,092
Charges for services and assessments	2,489,728	96,383		1,129,096	935,975	45,538	355,431
Investment earnings		5		272			
Miscellaneous		1,085					99,236
Total revenues	<u>2,489,728</u>	<u>101,918</u>	<u>3,919,067</u>	<u>1,551,585</u>	<u>935,975</u>	<u>45,538</u>	<u>468,759</u>
Expenditures:							
Current:							
General government							2,000
Public safety							
Public works							
Human services							427,539
Culture and recreation	2,049,192						18,173
Education		99,313	3,608,372	1,435,358	931,184	43,871	
Total expenditures	<u>2,049,192</u>	<u>99,313</u>	<u>3,608,372</u>	<u>1,435,358</u>	<u>931,184</u>	<u>43,871</u>	<u>447,712</u>
Excess (Deficiency) of Revenues over Expenditures	440,536	2,605	310,695	116,227	4,791	1,667	21,047
Other Financing Uses:							
Transfer out	(28,350)						
Net Change in Fund Balance	412,186	2,605	310,695	116,227	4,791	1,667	21,047
Fund Balances at Beginning of Year	<u>1,266,605</u>	<u>52,014</u>	<u>16,242</u>	<u>(43,780)</u>	<u>(804)</u>	<u>(317)</u>	<u>281,800</u>
Fund Balances at End of Year	<u>\$ 1,678,791</u>	<u>\$ 54,619</u>	<u>\$ 326,937</u>	<u>\$ 72,447</u>	<u>\$ 3,987</u>	<u>\$ 1,350</u>	<u>\$ 302,847</u>

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds						
	Community Use of Buildings	Fire Marshall Fund	Lead Poison Prevention	Regional Animal Shelter	IT Reserve Fund	Interfund Elimination	Total Nonmajor Governmental Funds
Revenues:							
Intergovernmental	\$	\$	\$ 3,318	\$	\$ 10,430	\$	\$ 4,825,320
Charges for services and assessments	86,618						5,259,377
Investment earnings							15,436
Miscellaneous				53,038	119,136		358,356
Total revenues	<u>86,618</u>	<u>-</u>	<u>3,318</u>	<u>53,038</u>	<u>129,566</u>	<u>-</u>	<u>10,458,489</u>
Expenditures:							
Current:							
General government					106,744		217,916
Public safety		46		54,976			208,974
Public works							394,104
Human services			2,782				430,321
Culture and recreation							2,095,879
Education	39,425						6,157,523
Total expenditures	<u>39,425</u>	<u>46</u>	<u>2,782</u>	<u>54,976</u>	<u>106,744</u>	<u>-</u>	<u>9,504,717</u>
Excess (Deficiency) of Revenues over Expenditures	47,193	(46)	536	(1,938)	22,822	-	953,772
Other Financing Uses:							
Transfer out							(43,565)
Net Change in Fund Balance	47,193	(46)	536	(1,938)	22,822	-	910,207
Fund Balances at Beginning of Year	<u>93,897</u>	<u>101</u>	<u>5,568</u>	<u>37,177</u>	<u>170,346</u>	<u>-</u>	<u>2,731,399</u>
Fund Balances at End of Year	<u>\$ 141,090</u>	<u>\$ 55</u>	<u>\$ 6,104</u>	<u>\$ 35,239</u>	<u>\$ 193,168</u>	<u>\$ -</u>	<u>\$ 3,641,606</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - RECREATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Revenues:				
Charges for services:				
Day camp	\$ 698,730	\$ 698,730	\$ 685,145	\$ (13,585)
Veterans' memorial park	292,200	292,200	376,374	84,174
4th R Revenue	910,225	910,225	979,570	69,345
Outdoor	101,277	101,277	60,404	(40,873)
Indoor	218,992	218,992	196,117	(22,875)
Social/cultural	197,010	197,010	153,578	(43,432)
Recreation facilities	51,049	51,049	38,540	(12,509)
Miscellaneous			35,766	35,766
Total revenues	<u>2,469,483</u>	<u>2,469,483</u>	<u>2,525,494</u>	<u>56,011</u>
Expenditures:				
Current:				
Day camp	696,338	696,338	582,762	113,576
4th R Personal Services	882,991	882,991	715,136	167,855
Veterans' memorial park	397,756	397,756	321,789	75,967
Outdoor	100,462	100,462	63,719	36,743
Indoor	218,898	218,898	189,429	29,469
Social/cultural	218,461	218,461	168,143	50,318
Recreation facilities	47,169	47,169	22,345	24,824
Contingency	30,000	30,000		30,000
Total expenditures	<u>2,592,075</u>	<u>2,592,075</u>	<u>2,063,323</u>	<u>528,752</u>
Excess (Deficiency) of Revenues over Expenditures	(122,592)	(122,592)	462,171	584,763
Other Financing Uses:				
Transfer in	29,910	29,910		(29,910)
Transfers out			(28,350)	(28,350)
Utilization of fund balance	<u>30,000</u>	<u>30,000</u>		<u>(30,000)</u>
Net Change in Fund Balance	\$ <u>(62,682)</u>	\$ <u>(62,682)</u>	433,821	\$ <u>496,503</u>
Fund Balance at Beginning of Year			<u>1,225,370</u>	
Fund Balance at End of Year			\$ <u>1,659,191</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>
Balance, Budgetary Basis - End of Year	\$ 2,525,494	\$ 2,063,323
Accrued payroll not budgeted		13,005
Encumbrances outstanding at beginning of year liquidated and cancelled during the current year	(35,766)	5,469
Encumbrances charged to budgetary expenditures during the current year		(32,605)
Balance, GAAP Basis - End of Year	\$ <u>2,489,728</u>	\$ <u>2,049,192</u>

# Fiduciary Funds

Fiduciary Fund types are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or others. The Town's Fiduciary Funds are as follows:

## **Trust Funds:**

- ❑ **Pension Trust Fund** - to account for the activities of the Town's defined benefit plans which accumulate resources for pension benefit payments to qualified employees.
- ❑ **Other Post Employment Benefit Trust Fund** - to account for the activities for both Town and Board of Education for other post employment benefits (e.g., health insurance, life insurance) which accumulate resources for other post employment benefit payments to qualified employees.

## **Agency Funds:**

- ❑ **School Activity** - to account for the various student activities and clubs.
- ❑ **Performance Bonds** - to account for all cash and cash equivalents held by the Town until the completion of a project.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
 COMBINING STATEMENT OF NET POSITION  
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
 JUNE 30, 2017**

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	<b><u>Pension Trust Fund</u></b>	<b><u>Other Post Employment Benefit Trust Fund</u></b>	<b><u>Total</u></b>
Assets:			
Cash and cash equivalents	\$ 401,704	\$ 2,066,538	\$ 2,468,242
Investments:			
Mutual funds	<u>39,146,780</u>	<u>                    </u>	<u>39,146,780</u>
Total assets	<u>39,548,484</u>	<u>2,066,538</u>	<u>41,615,022</u>
Net Position:			
Restricted for Pension Benefits and Other Purposes	<u>\$ 39,548,484</u>	<u>\$ 2,066,538</u>	<u>\$ 41,615,022</u>



**TOWN OF SOUTH WINDSOR, CONNECTICUT  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Pension Trust Fund</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 2,370,193	\$ 880,974	\$ 3,251,167
Employee	587,894		587,894
Total contributions	<u>2,958,087</u>	<u>880,974</u>	<u>3,839,061</u>
Investment income:			
Net change in fair value investments	<u>4,163,813</u>	<u>11,450</u>	<u>4,175,263</u>
Total additions	<u>7,121,900</u>	<u>892,424</u>	<u>8,014,324</u>
Deductions:			
Benefits	2,508,076	566,113	3,074,189
Administration	<u>114,546</u>	<u>1,125</u>	<u>115,671</u>
Total deductions	<u>2,622,622</u>	<u>567,238</u>	<u>3,189,860</u>
Changes in Net Position	4,499,278	325,186	4,824,464
Net Position at Beginning of Year	<u>35,049,206</u>	<u>1,741,352</u>	<u>36,790,558</u>
Net Position at End of Year	<u>\$ 39,548,484</u>	<u>\$ 2,066,538</u>	<u>\$ 41,615,022</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>School Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>550,285</u>	\$ <u>911,984</u>	\$ <u>998,225</u>	\$ <u>464,044</u>
Liabilities:				
Accounts payable	\$ 35,207	\$	\$ 19,140	\$ 16,067
Due to others	<u>515,078</u>	<u>911,984</u>	<u>979,085</u>	<u>447,977</u>
Total liabilities	\$ <u>550,285</u>	\$ <u>911,984</u>	\$ <u>998,225</u>	\$ <u>464,044</u>
<b>Performance Bond Fund</b>				
Assets:				
Cash and cash equivalents	\$ <u>1,001,691</u>	\$ <u>455,976</u>	\$ <u>691,796</u>	\$ <u>765,871</u>
Liabilities:				
Due to others	\$ <u>1,001,691</u>	\$ <u>455,976</u>	\$ <u>691,796</u>	\$ <u>765,871</u>
<b>Total All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ <u>1,551,976</u>	\$ <u>1,367,960</u>	\$ <u>1,690,021</u>	\$ <u>1,229,915</u>
Liabilities:				
Accounts payable	\$ 35,207	\$	\$ 19,140	\$ 16,067
Due to other groups	<u>1,516,769</u>	<u>1,367,960</u>	<u>1,670,881</u>	<u>1,213,848</u>
Total liabilities	\$ <u>1,551,976</u>	\$ <u>1,367,960</u>	\$ <u>1,690,021</u>	\$ <u>1,229,915</u>

# Statistical Section

This part of the Town of South Windsor, Connecticut's comprehensive annual 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 Town's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	85-88
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity	89-91
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes	
Debt Capacity	92-94
These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	95-96
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	97-99
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

TABLE 1

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Net investment in capital assets	\$ 111,510,516	\$ 512,445,556	\$ 127,661,949	\$ 133,875,251	\$ 118,642,281	\$ 117,808,001	\$ 603,648,675	\$ 122,049,902	\$ 121,725,879	\$ 133,891,837
Restricted										
Unrestricted	<u>13,915,715</u>	<u>18,233,425</u>	<u>4,484,969</u>	<u>3,127,155</u>	<u>17,107,966</u>	<u>15,450,828</u>	<u>71,828,521</u>	<u>3,142,130</u>	<u>3,572,905</u>	<u>6,257,477</u>
Total Governmental Activities Net Position	<u>\$ 125,426,231</u>	<u>\$ 530,678,981</u>	<u>\$ 132,146,918</u>	<u>\$ 137,002,406</u>	<u>\$ 135,750,247</u>	<u>\$ 133,258,829</u>	<u>\$ 675,477,196</u>	<u>\$ 125,192,032</u>	<u>\$ 125,298,784</u>	<u>\$ 140,149,314</u>

\* Restated for GASB 68

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental activities:										
General government	\$ 5,315,296	\$ 5,156,910	\$ 5,130,630	\$ 4,860,046	\$ 5,121,861	\$ 4,834,624	\$ 4,744,705	\$ 4,680,398	\$ 9,644,225	\$ 7,534,628
Public safety	8,553,070	8,926,160	11,024,674	9,483,051	9,125,906	9,701,599	10,466,567	10,116,105	12,259,882	11,059,584
Public works	14,736,412	15,027,502	13,513,891	13,030,693	22,845,865	20,810,758	17,311,069	18,662,827	15,648,511	15,615,857
Human services	1,498,259	1,425,909	1,267,152	1,683,719	1,793,418	1,448,173	1,496,189	1,469,110	1,516,678	1,805,965
Culture and recreation	2,591,615	3,038,581	4,790,717	6,253,473	6,551,287	5,127,771	5,170,258	5,799,240	7,649,148	5,922,105
Education	85,310,772	72,196,979	71,090,473	72,800,171	77,421,480	79,644,193	82,765,300	85,125,614	83,800,549	96,033,281
Debit service interest	1,660,488	1,122,172	1,430,633	1,091,251	1,556,829	148,247	1,608,802	1,508,063	1,619,954	1,786,532
Total Governmental Activities Expenses	<u>119,665,912</u>	<u>106,894,213</u>	<u>108,248,170</u>	<u>109,202,404</u>	<u>124,416,646</u>	<u>121,715,365</u>	<u>123,562,890</u>	<u>127,361,357</u>	<u>132,138,947</u>	<u>139,757,952</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	2,055,893	1,012,144	1,109,617	961,454	1,448,690	1,521,538	1,221,156	1,348,396	2,182,425	1,623,465
Public safety	131,600	46,525	59,505	70,640	122,635	116,885	94,031	146,221	187,007	151,502
Public works	3,440,921	3,223,955	3,817,089	3,278,559	3,780,034	4,379,717	4,285,579	4,438,121	4,501,771	5,606,794
Human services		57,765	42,241	50,052	71,340	86,393	87,797	100,976	208,544	354,339
Culture and recreation	899,936	1,229,828	1,409,056	1,422,871	1,583,926	1,766,873	1,635,322	2,925,417	2,519,572	2,570,164
Education	2,697,931	2,701,376	3,016,137	2,864,058	2,599,423	2,622,886	2,406,020	2,374,627	2,256,463	2,272,817
Operating grants and contributions:										
General government	35,414	919,332	148,302	229,750	171,502	259,305	222,531	481,542	287,925	207,271
Public safety	49,784	149,047	105,336	95,575	167,775	115,056	82,222	60,481	198,884	51,178
Public works	301,035	315,880	195,257	195,936	563,510	496,348	404,160	395,417	388,764	446,383
Human services	52,249	70,959	104,359	64,498	83,411	81,856	108,808	102,950	106,027	117,242
Culture and recreation	37,051	34,873	35,610	64,431	40,421	41,304	36,038	43,098	49,800	47,555
Education	36,316,660	20,569,944	20,251,236	21,068,318	22,978,222	22,502,841	24,771,275	23,165,519	24,209,031	29,522,318
Interest on long-term debt	214,637	156,680	98,684	45,558						
Capital grants and contributions:										
General government							170,906	75,344	71,433	1,946,226
Public safety	30,000		4,625,819	3,840,842	1,162,761	149,528				
Public works	335,220	25,000	155,919	18,574	173,981	7,525	759,237	310,314	1,398,722	11,130,720
Human Services				454,151	7,673,048	1,786,113				
Culture and recreation				247,401						
Education	131,184			18,942						
Total Governmental Activities Revenues	<u>46,729,515</u>	<u>30,513,308</u>	<u>35,174,167</u>	<u>34,991,610</u>	<u>42,620,679</u>	<u>35,934,168</u>	<u>36,285,082</u>	<u>35,968,423</u>	<u>38,566,368</u>	<u>56,047,974</u>
Total Governmental Activities Net Expense	<u>(72,936,397)</u>	<u>(76,380,905)</u>	<u>(73,074,003)</u>	<u>(74,210,794)</u>	<u>(81,795,967)</u>	<u>(85,781,197)</u>	<u>(87,277,808)</u>	<u>(91,392,934)</u>	<u>(93,572,579)</u>	<u>(83,709,978)</u>
General Revenues and Other:										
Changes in Net Position:										
Governmental activities:										
Property taxes	69,547,717	73,058,873	76,241,912	77,579,585	79,389,621	81,643,855	87,371,201	90,037,532	91,922,703	96,106,885
Grants and contributions not restricted to specific programs	1,328,140	1,300,566	1,501,594	1,342,114	1,032,892	1,515,179	1,929,166	1,532,895	1,603,494	2,146,206
Unrestricted investment earnings	1,215,003	430,424	133,579	135,226	117,606	130,745	156,863	183,329	121,033	251,754
Other general revenues, net		13,372	250,300	9,357	3,689			26,834	32,101	55,663
Total Primary Government	<u>72,090,860</u>	<u>74,803,235</u>	<u>78,127,385</u>	<u>79,066,282</u>	<u>80,543,808</u>	<u>83,289,779</u>	<u>89,457,230</u>	<u>91,780,590</u>	<u>93,679,331</u>	<u>98,560,508</u>
Change in Net Position:										
Total Governmental Activities	<u>\$ (845,537)</u>	<u>\$ (1,577,670)</u>	<u>\$ 5,053,382</u>	<u>\$ 4,855,488</u>	<u>\$ (1,252,159)</u>	<u>\$ (2,491,418)</u>	<u>\$ 2,179,422</u>	<u>\$ 387,656</u>	<u>\$ 106,752</u>	<u>\$ 14,850,530</u>

TABLE 3

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Nonspendable	\$	\$	\$	\$ 4,836	\$ 135,863	\$ 17,508	\$ 18,722	\$ 970	\$	\$ 2,442
Restricted										
Committed										
Assigned				2,940,494	1,413,432	1,616,470	1,772,742	1,527,753	2,096,625	1,621,867
Unassigned				3,431,794	3,504,042	5,042,748	5,238,041	5,329,639	8,035,255	9,467,497
Reserved	964,171	1,207,916	416,571							
Unreserved	6,060,669	4,112,854	5,274,518							
Total General Fund	\$ 7,024,840	\$ 5,320,770	\$ 5,691,089	\$ 6,377,124	\$ 5,053,337	\$ 6,676,726	\$ 7,029,505	\$ 6,858,362	\$ 10,131,880	\$ 11,091,806
All other governmental funds:										
Nonspendable	\$	\$	\$	\$ 39,341	\$ 29,687	\$ 33,293	\$ 42,355	\$ 56,678	\$ 39,488	\$ 28,426
Restricted				9,762,789	746,991	760,375	836,513	857,917	839,148	1,205,414
Committed				1,216,583	5,153,671	3,082,618	3,928,403	6,143,366	2,468,694	3,246,582
Assigned										
Unassigned				(24,679,573)	(24,089,935)	(48,018)	(282,640)	(28,482)	(3,742,300)	(4,386,400)
Reserved	33,534	83,671	1,785,790							
Unreserved reported in										
Special revenue	1,565,105	1,744,040	2,104,207							
General fund		4,112,854								
Capital Projects funds	10,951,390	10,608,698								
Debt Service funds										
Unassigned			(9,706,171)							
Total All Other Governmental Funds	\$ 12,550,029	\$ 16,549,263	\$ (5,816,174)	\$ (13,660,860)	\$ (18,159,586)	\$ 3,828,268	\$ 4,524,631	\$ 7,029,479	\$ (394,970)	\$ 94,022

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Property taxes	\$ 69,340,563	\$ 73,288,794	\$ 75,463,071	\$ 77,616,815	\$ 79,552,717	\$ 81,674,471	\$ 86,482,924	\$ 89,316,302	\$ 92,999,372	\$ 95,483,270
Intergovernmental	39,307,179	24,043,226	28,146,624	28,113,379	33,780,263	26,568,233	28,191,586	25,919,136	27,782,151	45,201,620
Charges for goods and services	9,031,402	8,487,159	9,468,847	8,692,434	9,748,323	10,489,952	9,632,436	11,415,230	11,920,765	12,631,202
Investment earnings	1,056,487	386,673	126,534	128,533	108,011	125,044	150,955	61,316	111,262	242,072
Miscellaneous	311,049	268,430	378,570	150,105	399,235	310,672	288,393	360,338	463,547	389,669
Total revenues	<u>119,046,680</u>	<u>106,474,282</u>	<u>113,583,646</u>	<u>114,701,266</u>	<u>123,588,549</u>	<u>119,168,372</u>	<u>124,746,294</u>	<u>127,072,322</u>	<u>133,277,097</u>	<u>153,947,833</u>
Expenditures:										
Current:										
General government	3,115,378	3,373,695	3,122,178	3,139,276	3,049,108	3,161,756	3,438,550	3,444,744	3,560,662	3,788,541
Public safety	7,172,959	7,062,827	7,083,887	7,148,435	7,422,390	7,480,490	7,989,555	8,334,840	8,320,505	8,764,069
Public works	10,331,702	10,633,161	10,295,764	9,629,119	9,749,410	10,946,524	10,675,686	10,975,854	11,143,679	11,983,196
Human services	839,554	1,376,881	1,025,250	1,005,973	1,098,224	1,078,348	1,090,749	1,088,900	1,121,246	1,423,516
Culture and recreation	2,147,413	1,980,068	2,684,034	3,809,077	4,231,557	4,193,506	4,445,705	4,710,096	4,946,672	4,964,347
Insurance and sundry	4,349,097	5,016,922	5,322,359	5,601,532	5,856,476	6,090,641	6,630,836	6,467,843	6,556,833	6,340,930
Education	83,714,903	69,452,681	71,461,011	73,212,843	77,665,214	77,187,320	82,367,010	81,650,067	83,381,512	91,479,612
Capital outlay	4,745,863	8,534,738	27,765,090	5,114,605	5,043,160	4,418,905	5,598,435	6,255,201	18,260,516	28,899,903
Debit service:	3,872,639	4,801,040	4,938,502	22,911,574	17,864,364	8,279,178	7,780,265	7,179,399	6,874,897	7,365,581
Total expenditures	<u>120,289,508</u>	<u>112,232,013</u>	<u>133,698,075</u>	<u>131,572,434</u>	<u>131,979,903</u>	<u>122,836,668</u>	<u>130,016,791</u>	<u>130,106,944</u>	<u>144,166,522</u>	<u>165,009,695</u>
Deficiency of Revenues over Expenditures	<u>(1,242,828)</u>	<u>(5,757,731)</u>	<u>(20,114,429)</u>	<u>(16,871,168)</u>	<u>(8,391,354)</u>	<u>(3,668,296)</u>	<u>(5,270,497)</u>	<u>(3,034,622)</u>	<u>(10,889,425)</u>	<u>(11,061,862)</u>
Other Financing Sources:										
Proceeds from bond refunding	5,310,000	9,375,000		9,650,000	15,185,000	27,516,583	6,615,000	5,160,000		
Premium on bonds	86,785	596,264		76,917	1,112,007		731,924	78,540	207,067	739,043
Payments to escrow agents	(5,317,859)	(9,831,223)			(15,912,713)		(7,163,837)			
Proceeds from bonds issued	8,625,000	4,800,000	1,200,000		2,000,000		6,320,000		4,300,000	11,860,000
Proceeds from leases	193,011		32,165	102,103	684,547	363,951	480,552	826,352	2,946,407	477,850
Transfers in	6,888,411	4,223,911	2,652,999	1,207,649	736,818	1,305,972	1,183,689	2,000,812	1,761,537	2,080,018
Transfers out	(6,888,411)	(4,223,911)	(2,652,999)	(1,324,152)	(1,236,818)	(1,906,972)	(1,847,689)	(2,697,372)	(2,476,517)	(2,646,131)
Total other financing sources	<u>8,896,937</u>	<u>4,940,041</u>	<u>1,232,165</u>	<u>9,712,517</u>	<u>2,568,841</u>	<u>27,279,534</u>	<u>6,319,639</u>	<u>5,368,332</u>	<u>6,738,494</u>	<u>12,510,780</u>
Net Change in Fund Balances	7,654,109	(817,690)	(18,882,264)	(7,158,651)	(5,822,513)	23,611,238	1,049,142	2,333,710	(4,150,931)	1,448,918
Fund Balance at Beginning of Year	<u>11,920,760</u>		<u>18,757,179</u>	<u>(125,085)</u>	<u>(7,283,736)</u>	<u>(13,106,249)</u>	<u>10,504,989</u>	<u>11,554,131</u>	<u>13,887,841</u>	<u>9,736,910</u>
Fund Balance at End of Year	<u>\$ 19,574,869</u>	<u>\$ (817,690)</u>	<u>\$ (125,085)</u>	<u>\$ (7,283,736)</u>	<u>\$ (13,106,249)</u>	<u>\$ 10,504,989</u>	<u>\$ 11,554,131</u>	<u>\$ 13,887,841</u>	<u>\$ 9,736,910</u>	<u>\$ 11,185,828</u>
Debt Service as a Percentage to Noncapital Expenditures	3.30%	4.60%	4.58%	21.02%	14.52%	6.85%	6.30%	5.75%	5.40%	5.43%

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

TABLE 5

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b> <sup>(1)</sup>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Less Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>
2017	\$ 1,691,195,450	\$ 227,246,090	\$ 272,704,520	\$ 217,673,720	\$ 104,350,010	\$ 2,304,469,770	\$ 37.34/37.00 <sup>(3)</sup>	3,292,099,671 <sup>(4)</sup>
2016	1,669,743,361	469,200,191	261,120,500	217,444,060	112,726,620	2,504,781,492	36.54	3,578,259,274
2015	1,681,317,099	465,985,750	287,829,500	216,945,460	119,194,329	2,532,883,480	35.51	3,618,404,971
2014 <sup>(2)</sup>	1,676,514,846	439,529,851	258,829,020	207,156,730	111,344,758	2,470,685,689	34.90	3,529,550,984
2013	1,919,649,089	437,237,200	246,646,610	208,122,550	121,055,339	2,690,600,110	29.43	3,843,714,443
2012	2,428,826,870	517,933,641	231,536,430	194,075,430	113,816,134	3,258,556,237	28.78	4,655,080,339
2011	2,416,075,791	-	237,208,005	183,710,954	106,557,257	2,730,437,493	28.34	3,900,624,990
2010	2,411,972,160	-	218,994,377	185,138,646	95,127,929	2,720,977,254	27.84	3,887,110,363
2009 <sup>(2)</sup>	2,376,879,340	-	176,568,995	194,850,460	53,348,006	2,694,950,789	27.42	3,849,929,699
2008	1,812,683,063	-	165,927,668	194,545,587	60,117,041	2,113,039,277	32.54	3,018,627,539

Source: Town of South Windsor-Assessor

Note: The Town has no overlapping governments

<sup>(1)</sup> Note: 2011-2008 not separately available for commercial property

<sup>(2)</sup> Note: Revaluation year

<sup>(3)</sup> Note: State of Connecticut enacted a Motor Vehicle Mill Rate Cap of 37.00 mills effective 6/30/16

<sup>(4)</sup> Note: By state law, property is assessed at 70% of actual value with periodic revaluation of real property.



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**PRINCIPAL TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

TABLE 6

Taxpayer	Nature of Business	2017			2008		
		Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Eversource (formally CL&P)	Utility	\$ 92,924,890	1	3.65%	\$ 19,730,180	3	0.74%
Evergreen Walk Lifestyle Center	Retail	31,322,700	2	1.23%	37,844,660	1	1.41%
Aldi Inc.	Distribution	24,066,830	3	0.95%	-	-	-
FedEx Ground Package	Distribution	17,455,250	4	0.69%	-	-	0.00%
Federated Retail Holdings	Retail	11,914,200	5	0.47%	20,226,362	2	0.75%
DST Realty	Services	14,044,880	6	0.55%	11,587,700	9	0.43%
Town Center of South Windsor	Real Estate	12,383,780	7	0.49%	16,737,210	4	0.62%
Connecticut Water Co.	Utility	12,348,800	8	0.48%	-	-	0.00%
Computer Sciences Corp.	Retail	10,970,120	9	0.43%	-	-	-
Carla's Pasta	Retail	10,748,800	10	0.42%	-	-	-
Target Corp.	Retail	-	-	-	15,513,420	5	0.58%
Evergreen Walk LLC	Real Estate	-	-	-	14,545,880	7	0.54%
Lowes Home Centers, Inc.	Retail	-	-	-	14,800,040	6	0.55%
Gerber Companies	Manufacturing	-	-	-	12,553,480	8	0.47%
Ventas Realty L.P.	Real Estate	-	-	-	11,229,610	10	0.42%
Total		\$ 238,180,250		9.35%	\$ 101,303,884		5.45%

Source: Town of South Windsor- Assessor  
October 1, 2015 Assessment  
October 1, 2006 Assessment

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

TABLE 7

Fiscal Year Ending 6/30	Taxable Grand List	Tax Rate (In Mills)	Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Adjusted Levy		Amount	Percent of Adjusted Levy
2017	\$ 2,520,505,015	37.34/37.00 <sup>(1)</sup>	95,502,476	\$ 94,247,010	98.69%	\$ -	\$ 94,247,010	98.69%
2016	2,501,567,051	36.54	91,894,135	90,891,340	98.91%	445,377	91,336,717	99.39%
2015	2,506,427,581	35.51	89,399,738	87,965,832	98.40%	1,011,048	88,976,880	99.53%
2014	2,468,393,038	34.90	86,279,650	85,042,713	98.57%	920,033	85,962,746	99.63%
2013	2,771,296,551	29.43	81,652,659	80,566,157	98.67%	888,458	81,454,615	99.76%
2012	2,740,622,596	28.78	78,796,861	77,752,911	98.68%	897,925	78,650,836	99.81%
2011	2,731,391,588	28.34	77,518,490	76,539,598	98.74%	807,041	77,346,639	99.78%
2010	2,721,963,795	27.84	75,361,514	74,256,653	98.53%	958,651	75,215,304	99.81%
2009	2,680,367,627	27.42	73,246,521	72,259,961	98.65%	881,380	73,141,341	99.86%
2008	2,113,039,277	32.54	69,056,659	68,278,043	98.87%	688,887	68,966,930	99.87%

Source: Town of South Windsor-Tax Collector

<sup>(1)</sup> State of Connecticut enacted a Motor Vehicle Mill Rate Cap of 37.00 mills effective 6/30/16

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

TABLE 8

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<sup>(1)</sup>	<b>Clean Water Fund Bonds</b>	<sup>(2)</sup>	<b>Total Primary Government</b>	<b>Ratio of Debt to Estimated Taxable Value of Property</b>	<sup>(3)</sup>	<b>Debt Per Capita</b>	<sup>(4)</sup>	<b>Total Debt Outstanding as a Percentage of personal Income</b>	<sup>(5)</sup>
2017	\$ 43,160,000	\$	24,765,093	\$	67,925,093	2.06%	\$	2,632		0.06%	
2016	34,620,000		26,210,009		60,830,009	1.70%		2,359		0.06%	
2015	33,325,000		27,571,991		60,896,991	1.68%		2,361		0.06%	
2014	31,195,000		28,907,027		60,102,027	1.70%		2,329		0.06%	
2013	29,455,000		28,465,648		57,920,648	1.51%		2,242		0.07%	
2012	32,535,000		1,956,111		34,491,111	0.74%		1,336		0.11%	
2011	33,080,000		2,110,939		35,190,939	0.90%		1,365		0.11%	
2010	26,885,000		2,262,700		29,147,700	0.75%		1,134		0.13%	
2009	30,220,000		2,411,457		32,631,457	0.85%		1,243		0.09%	
2008	28,980,000		2,557,272		31,537,272	1.04%		1,215		0.10%	

Source: Town of South Windsor-Finance.

<sup>(1)</sup> Town only issues general obligation bonds and has no overlapping debt.

<sup>(2)</sup> Represents 2% 20-year loans to finance upgrades to the wastewater treatment plant.

<sup>(3)</sup> See Table 5 for taxable property value data.

<sup>(4)</sup> See Table 11 for population data.

<sup>(5)</sup> See Table 11 for personal income data.

TABLE 9

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 484,387,855	\$ 512,445,556	\$ 526,910,767	\$ 543,682,512	\$ 555,337,279	\$ 572,155,955	\$ 603,648,675	\$ 624,631,371	\$ 650,125,903	\$ 668,710,378
Total net debt applicable to limit	<u>43,498,746</u>	<u>38,560,775</u>	<u>66,223,355</u>	<u>77,233,983</u>	<u>85,056,162</u>	<u>73,402,142</u>	<u>71,828,521</u>	<u>72,623,485</u>	<u>92,608,657</u>	<u>83,858,275</u>
Legal Debt Margin	<u>\$ 440,889,109</u>	<u>\$ 473,884,781</u>	<u>\$ 460,687,412</u>	<u>\$ 466,448,529</u>	<u>\$ 470,281,117</u>	<u>\$ 498,753,813</u>	<u>\$ 531,820,154</u>	<u>\$ 552,007,886</u>	<u>\$ 557,517,246</u>	<u>\$ 584,852,103</u>
Total net debt applicable to the limit as a percentage of debt limit	8.98%	7.52%	12.57%	14.21%	15.32%	12.83%	11.90%	11.63%	14.24%	12.54%

**Note:** The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2017 debt limit can be found on Table 10 of this report.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2017**

Total tax collections (including interest and lien fees) received by Treasurer for the year ended June 30, 2017	\$ 95,528,054
Tax relief for the elderly	<u>2,000</u>
BASE	<u>\$ 95,530,054</u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 214,942,622	\$	\$	\$	\$
4-1/2 times base		429,885,243			
3-3/4 times base			358,237,703		
3-1/4 times base				310,472,676	
3 times base					286,590,162
Total debt limitation	<u>214,942,622</u>	<u>429,885,243</u>	<u>358,237,703</u>	<u>310,472,676</u>	<u>286,590,162</u>
Indebtedness:					
Bonds and notes payable	28,159,000	15,001,000	1,680,000		
CWF notes payable			23,085,093		
Authorized, unissued bonds	<u>7,000,000</u>	<u>13,521,724</u>	<u>19,483,417</u>		
Total indebtedness	<u>35,159,000</u>	<u>28,522,724</u>	<u>44,248,510</u>	-	-
Less amounts to be provided by the state and other	<u>(5,996,918)</u>	<u>(10,315,036)</u>	<u>(7,760,005)</u>		
Net indebtedness	<u>29,162,082</u>	<u>18,207,688</u>	<u>36,488,505</u>	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 185,780,540</u>	<u>\$ 411,677,555</u>	<u>\$ 321,749,198</u>	<u>\$ 310,472,676</u>	<u>\$ 286,590,162</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$668,710,378)

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

TABLE 11

Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(2)</sup>	Educational Attainment		School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
					High School	Bachelors Degree		
2017	\$ 25,806	\$ 38,505	\$ 99,774	43.3	92.6	44.6	4,071	4.2%
2016	25,789	38,505	99,774	43.3	92.6	44.6	4,032	5.1%
2015	25,789	38,505	99,774	43.3	92.6	44.6	4,100	5.2%
2014	25,803	38,505	99,774	43.3	92.6	44.6	4,174	5.4%
2013	25,837	38,505	99,774	43.3	92.6	44.6	4,194	6.0%
2012	25,812	38,505	99,774	43.3	92.6	44.6	4,288	6.3%
2011	25,779	38,505	99,774	43.3	92.6	44.6	4,485	6.3%
2010	25,709	38,505	99,774	43.3	92.6	44.6	4,589	6.9%
2009	26,258	30,966	82,807	44.2	91.4	41.6	4,732	6.2%
2008	25,966	30,966	82,807	44.2	91.4	41.6	4,865	4.3%

(1) U.S. Bureau of Census, American Community Fact Finder/ State of CT - Department of Health

(2) U.S. Department of Commerce, Bureau of Census for years 2000 and 2010

(3) Town of South Windsor, Board of Education

(4) State of Connecticut, Labor Department, Office of Research and Statistics

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

TABLE 12

Employer	Nature of Business	2017			2008		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of South Windsor	Municipality	791	1	5.60%	850	1	28.73%
DST Output	Services	650	2	4.60%	500	2	1.92%
Ticket Network	Services	441	3	3.12%	-	-	0.00%
The May Company	Distributor	389	4	2.75%	400	3	1.54%
Doosan Fuel Cell America	Manufacturer	320	5	2.27%	-	-	0.00%
Target Corp	Retailing	250	6	1.77%	150	7	0.58%
Super Stop & Shop	Retailing	221	7	1.56%	-	-	-
Performance Food Group	Distributor	183	8	1.30%	-	-	-
Lowe's Home Improvement	Retailing	170	9	1.20%	150	8	0.58%
Electro Methods	Manufacturing	155	10	1.10%	210	5	0.81%
HPC Food Services	Food Products (Wholesale)	-	-	-	140	9	0.54%
Haven Health Center-South Windsor	Healthcare	-	-	-	130	10	0.50%
Gerber Scientific	Manufacturing	-	-	-	259	4	1.00%
C & S Distributors	Manufacturing	-	-	-	170	6	0.65%
Total		3,570		25.28%	2,959		36.84%

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

TABLE 13

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b><u>Function/Program</u></b>										
General government										
Town Manager's Office	5.0	5.0	5.0	5.0	5.0	4.0	4.0	7.0	7.0	7.0
Registrar of Voters	2.0	2.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance and taxation	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	11.0	11.0
Town Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	5.0	5.0	4.0	4.0	5.0	5.0	5.0	6.0	5.0	5.0
Public Safety	54.0	54.0	54.0	54.0	52.0	54.0	52.0	55.0	55.0	55.0
Public Works	47.0	47.0	47.0	47.0	45.0	48.0	48.0	48.0	48.0	48.0
Public Health	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Planning & Zoning	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Human Services	8.0	8.0	8.0	8.0	9.0	9.0	9.0	10.0	10.0	10.0
Culture and Recreation	18.0	18.0	18.0	18.0	19.0	18.0	18.0	17.0	17.0	17.0
Library	12.0	12.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Education	618.0	628.0	638.0	639.0	628.0	609.0	635.0	642.0	642.0	615.0
Total	791.0	801.0	810.0	811.0	802.0	787.0	811.0	825.0	823.0	796.0

**Source:** Town of South Windsor-Human Resources



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

TABLE 14

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b><u>Police</u></b>										
General service calls	32,521	28,306	33,068	33,329	34,562	44,701	35,186	35,073	36,210	40,581
Criminal Arrests	490	630	427	643	569	645	690	861	900	822
Traffic accidents	659	395	399	584	586	410	459	582	459	438
<b><u>Fire Marshal</u></b>										
Fire Investigations Completed	10	27	23	19	10	18	34	37	7	23
Inspections	1,500	1,545	2,565	1,704	850	588	627	508	635	967
<b><u>Public Works</u></b>										
GIS Dashboard Requests*	1,200	1,100	958	903	700	375	-	-	-	-
Snow Routes	22	20	21	21	21	21	19	18	18	18
Miles of Road Plowed	140	140	140	140	140	140	140	139	139	138
Road Surface Treatment Miles	6.5	6.2	4.3	5.6	2.0	1.0	7.0	12.9	7.4	8.3
Catch Basins Cleaned	1,891	1,736	1,997	2,048	1,677	2,896	815	292	2,831	2,007
<b><u>Health/Human Services</u></b>										
Food Service Inspections	175	140	107	195	147	103	75	85	158	136
Child Care Facility Inspections	5	11	3	13	11	13	10	10	5	5
Youth Development Participants	901	913	1,900	2,797	600	1,899	584	967	649	1,003
Teen Center Participants	245	254	275	313	500	427	471	460	430	450
<b><u>Parks and Recreation</u></b>										
Athletic Fields Maintained	28	25	25	25	23	23	23	23	23	23
Baseball/Softball Fields maintained	16	16	16	16	16	16	16	16	16	16
<b><u>Library</u></b>										
Total Circulation	300,000	231,708	268,030	277,000	283,300	284,291	280,467	281,672	289,557	281,748
Library Sponsored Programs	575	568	562	433	500	487	434	279	457	399
<b><u>Wastewater</u></b>										
Wastewater Treated (million gallons)	900	816.8	856.8	908.5	800	808	684	701	684.2	639.7
Emergency Call-outs/Alarms	90	102	94	142	110	148	73	58	55	54
Miles of Sewer Line Cleaned	30	7.75	5.5	18.5	12.00	2.80	1.90	33.00	6	19

SOURCE: Town of South Windsor-Variou Departments

\* Information not available before 2012

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

TABLE 15

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b><u>Function/Program</u></b>										
<b>Public safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	42	42	42	42	42	42	42	42	41	41
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	13	13	13	13	13	13	13	13	13	13
Hydrants	949	937	927	890	890	890	890	890	890	890
<b>Public works</b>										
Vehicles	156	116	114	102	105	102	108	111	107	103
Streets (miles)	140	140	140	140	140	140	139.5	139	139	138
<b>Parks &amp; Recreation</b>										
Vehicles	14	14	13	13	12	13	13	13	13	13
Acreage	840.53	840.53	840.53	840.53	812.94	812.94	812.94	812.94	802.02	802.02
Playgrounds	2	2	2	2	2	2	2	2	2	2
Athletic fields	41.5	41.5	41.5	41.5	39.5	39.5	39.5	39.5	39.5	36.5
Community centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	3	3	3	3	3	3	3	3	3	3
<b>Public Libraries</b>										
Libraries	1	1	1	1	1	1	1	1	1	1
<b>Human Services</b>										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	4	4	4	4	4	3	3	3	3	3
<b>Education</b>										
Schools	7	7	7	7	7	7	7	7	7	7