

TOWN OF SOUTH WINDSOR, CONNECTICUT



Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

**TOWN OF SOUTH WINDSOR, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Finance Department

Patricia Perry
Director of Finance

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INTRODUCTORY SECTION



Town of South Windsor

1540 SULLIVAN AVENUE • SOUTH WINDSOR, CT 06074

TELEPHONE (860) 644-2511

December 6, 2022

Mayor Elizabeth Pendleton
Town Council Members
Residents of South Windsor

I am pleased to present the Annual Comprehensive Financial Report for the Town of South Windsor, Connecticut ("the Town") to document the Town's financial position and results of operations as of the fiscal year end June 30, 2022. This report includes the Town's basic financial statements which are presented in conformity with generally accepted accounting principles ("GAAP") and have been audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. CliftonLarsonAllen LLP (CLA), Certified Public Accountants, have issued an unmodified opinion on the Town's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

To provide further accountability to our residents this report includes notably more information and analysis than just the basic financial statements, and as such is titled the Annual Comprehensive Financial Report. This report will be submitted by the December 31 due date to the State of Connecticut. Other interested parties such as grantor agencies, the Town's bondholders and rating agencies will use the information to reach conclusions about the Town's financial stability.

After Introductory information, the report is broken down into three additional sections: Financial Supplementary, and Statistical. The Town's basic financial statements, notes and analysis are contained in the second section. Management's Discussion and analysis ("MD&A") provides a narrative, overview and analysis of the basic financial statements. The MD&A is designed to complement this letter of transmission and should be read in conjunction with it. The Financial Section also includes the independent auditor's report.

The third section of the report contains Supplementary information which provides details on General Fund financial activity, special revenue funds, and Pension & OPEB trust funds. The Statistical Section provides meaningful ten-year trend information on the Town's financial performance, revenue capacity, debt capacity demographic and economic indicators as well as operating information.

Separate Compliance Reports are 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.

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 is 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.

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 of 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 4,500 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 four schools for pupils in grades K through 5, one middle school for pupils in grades 6-8 and one high school for pupils in grades 9-12. The school system is 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 ECONOMY

Financial impact from the Coronavirus (COVID-19) continue across the nation at all levels including municipalities. South Windsor has experienced market value fluctuations and low interest rates, but remained financially strong and continues to attract business development investments. The Town also continues to draw new people to the area. This is in large part to the diverse business environment, an outstanding school system, several large colleges and universities nearby and numerous health care facilities. South Windsor is not alone in facing the challenges stemming from the global pandemic, and continues to reinforce fiscal stewardship, operational efficiencies, strategic investments and effective management. The Town continues to be well positioned to adapt to the ongoing pandemic while maintaining its high level of service to the community.

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. According to the State of CT Department of Labor, at June 30, 2022, the unemployment rate in South Windsor was 3.2% while in Hartford County it was 4.1%. The Town's unemployment rate is also significantly lower than the 2022 State annual average unemployment rate of 4.3% and national rate of 3.7%.

South Windsor's October 1, 2020 grand list, effective for the 2021-2022 fiscal year, increased 3.64% or \$103.1 million from the previous year. Growth was primarily due to increases in Real Estate and Personal Property. The 2020 net taxable grand list totals \$2.9 billion and its components are comprised of 60.53% residential, 21.32% commercial, 15.49% personal property and 8.68% motor vehicle. The Town continues to maintain a balanced mix of retail, light industry, manufacturing and retirement communities and its top ten taxpayers comprise 10.08% of the total net assessed value on the October 1, 2020 grand list. Table 6 in the Statistical Section lists details the top taxpayers. Because this list constitutes less than 15% of the total base of taxpayers, the financial distress of any one taxpayer would not impair the stability of tax revenues. The Town's property collection rate has been consistently above 99% for the past five years. Increased collection efforts resulted in a 99.5% collection rate, which exceeded the 99.0% assumed in the fiscal year 2022 budget.

South Windsor has a well-balanced, economically diverse mix of businesses and light manufacturing uses, commercial office buildings, medical facilities and retail space. The number of Residential and Commercial Building Permits totaled 932 through December 1, 2021. Notable economic development included the following:

- Approval has been given for 165 apartment units at Evergreen Walk;
- Construction is underway for a 12,819 Goddard School in Evergreen Walk;
- Construction of a 50,000 square foot retail space to be occupied by Whole Foods in Evergreen Walk is under construction with plans to open in calendar 2023;
- Construction has begun on the 31,495 square foot senior housing redevelopment at 1060 Main Street;
- The Town is constructing a 120-foot communication tower at Veterans Memorial Park that should be complete in calendar 2023;
- Approval has been given for a 241,800 warehouse on Kennedy Road; and
- Shake Shack is under construction with a 3,200 square foot restaurant in Evergreen Walk expected to open in late December 2022.

LONG TERM FINANCIAL PLANNING

In fiscal year 2022, the Town issued \$14,000,000 of anticipatory notes for the construction of the new Pleasant Valley Elementary School and road/drainage projects and \$20,000,000 in general obligation bonds to finance construction of the new Eli Terry and PR Smith elementary schools, and roadwork/drainage improvements. In the next fiscal year, the Town plans to issue debt to permanently finance the new Pleasant Valley Elementary School and 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 was key to the Town's upgraded bond rating from AA+ to AAA from Standard and Poor and maintaining the Aa2 rating 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:

- Roof replacements were completed at two schools and the Community Center.
- The Main Street Bridge over the Podunk River was completely renovated.
- The Town Hall elevator was completely reconstructed to meet ADA requirements. Fire alarm upgrades and other code requirements in buildings were completed.
- The Town and BOE replaced several pieces of rolling stock including Police Interceptor vehicles and a fire pumper truck.
- An eight-court pickleball center was newly constructed at Rye Street Park.

- 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 the new Orchard Hill School opened in August 2017. The new building is 71,729 square feet, and houses students in grades K-5. Phase II of the Ten-Year Elementary Facilities Master Plan milestone was completed in August 2020 with two new K-5 schools: Philip R. Smith Elementary a 58,243 building and Eli Terry Elementary a 66,586 building. Phase III to construct the new Pleasant Valley School passed referendum in March of 2020 and is scheduled to open in August 2022.

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 15th.

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 requested 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 ACKNOWLEDGEMENTS

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 annual comprehensive financial report for the fiscal year ended June 30, 2021. 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 Annual Comprehensive financial report, whose contents conform to program standards. Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement for the annual comprehensive financial report 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 Town was also presented a Distinguished Budget Presentation Award from the GFOA for the past seven years.

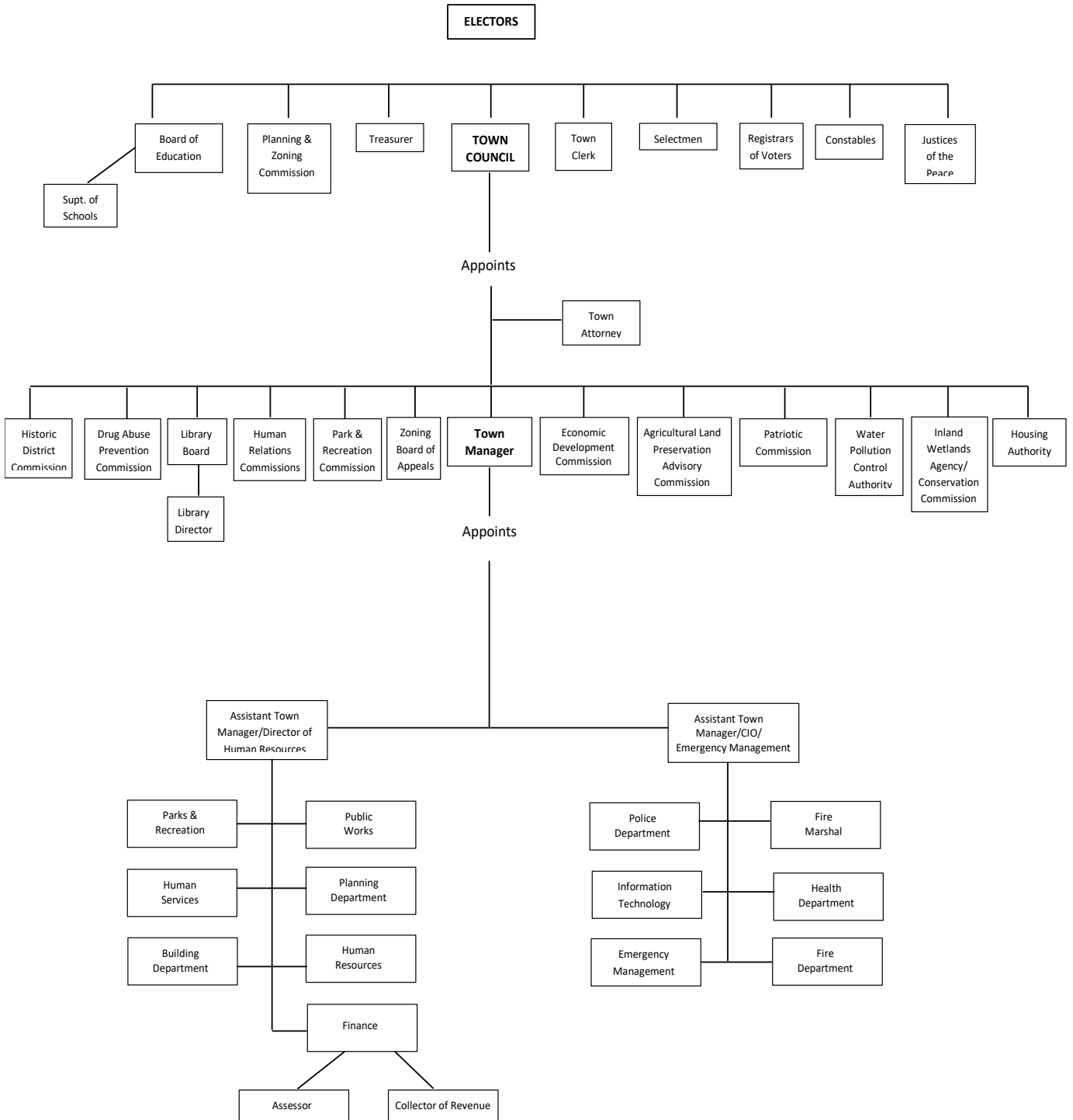
The preparation of this Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. I would like to thank CliftonLarsonAllen LLP, our independent auditors, for their efforts and counsel during the audit, ACFR preparation and submission process. 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,

A handwritten signature in blue ink that reads "Patricia Perry". The signature is written in a cursive, flowing style.

Patricia Perry
Director of Finance

TOWN OF SOUTH WINDSOR, CONNECTICUT ORGANIZATIONAL CHART



**TOWN OF SOUTH WINDSOR, CONNECTICUT
LISTING OF PRINCIPAL OFFICIALS
JUNE 30, 2022**

TOWN COUNCIL

Elizabeth Pendleton, Mayor

Steven King, Jr., Deputy Mayor
Erica Evans
Jamie Gamble
Philip Koboski

Marek Kozokowski
Cesar Lopez
Karen Lydecker
Andrew Paterna

BOARD OF EDUCATION

Craig Zimmerman, Chairman

Jessica Waterhouse, Vice Chairman
Beth Esstman, Secretary
Arthur Adduci
Anitha Elango

Madison Gonzalez
Dipali Kalia
Lisa Maneeley
Michael Pafe

ADMINISTRATION

Dr. Kate Carter, Superintendent of Schools
Tracie Peterson, Assistant Superintendent
Richard J. Sanzo, Assistant Superintendent
Chris M. Chemerka, Director of Finance & Operations

TOWN DEPARTMENTS

Michael Maniscalco, Town Manager

Andrea Cofrancesco, Director of Human
& Adult Services
Marc Melanson, Chief Building Official
Kristian Lindstrom, Chief of Police
Mary Etter, Library Director
Molly Keys, Director of Recreation
Vincent Stetson, Director of Public Works
Mary Huda, Assessor

Michele Lipe, Director of Planning
Patricia Perry, Director of Finance
Vanessa Perry, Assistant Town Manager/
Director of Human Resources
Jennifer Hillinski-Shirley, Tax Collector
Scott Roberts, Assistant Town Manager/CIO
Walter Summers, Fire Marshal
Bonnie Armstrong, Town Clerk



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of South Windsor
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Town Council
Town of South Windsor, Connecticut

Report on the Audit of the Financial Statements

Opinions

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, 2022, 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.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of South Windsor, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of South Windsor, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of South Windsor, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of South Windsor, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Town Council
Town of South Windsor, Connecticut

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022, 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 Town of South Windsor, Connecticut's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 6, 2022

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022. 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 \$209.0 million an increase of \$8.82 million or 4.4% over the previous fiscal year. Of the Town's total net position at June 30, 2022, \$27.5 million is unrestricted and may be used to meet the operating needs of the Town.
- On a government wide basis, revenues totaled \$158.4 million while expenses equaled \$149.5 million.
- The Town issued \$20.0 million of general obligation bonds and \$3.10 million in general obligation refunding bonds on January 17, 2022. In addition, the Town issued \$14.0 million in Bond Anticipation Notes to provide temporary financing for the Pleasant Valley Elementary School construction and road/drainage improvements.
- The unassigned fund balance for the General Fund was \$33.2 million or 23.9% of total General Fund expenditures.
- The Town was allocated \$7.7 million through the American Rescue Plan Fund and has identified eighteen projects that are currently in progress.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 postemployment 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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Government-Wide Financial Analysis

The Town's government-wide activities net position changed from a year ago, increasing from \$200.2 million to \$209.0 million. 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 \$8,823,502 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 Restricted Fund Balance of \$5.5 million which is 2.6% of Total Net Position represents funds for specific purposes such as Public Works and Education Grants.

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**

	Governmental Activities	
	2022	2021
Assets:		
Current Assets	\$ 85,397,287	\$ 66,032,851
Capital Assets, Net of Accumulated Depreciation	312,310,803	293,538,186
Total Assets	<u>397,708,090</u>	<u>359,571,037</u>
Deferred Outflows of Resources	11,701,712	4,418,852
Liabilities:		
Long-Term Liabilities Outstanding	32,010,334	20,260,127
Other Liabilities	160,553,122	130,637,724
Total Liabilities	<u>192,563,456</u>	<u>150,897,851</u>
Deferred Inflows of Resources	<u>7,813,102</u>	<u>12,882,296</u>
Net Position:		
Net Investment in Capital Assets	175,877,622	181,142,167
Restricted	5,564,207	4,122,315
Unrestricted	<u>27,591,415</u>	<u>14,945,260</u>
Total Net Position	<u><u>\$ 209,033,244</u></u>	<u><u>\$ 200,209,742</u></u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

**TABLE 2
CHANGE IN NET POSITION**

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 12,190,755	\$ 11,467,265
Operating Grants and Contributions	28,002,125	43,338,815
Capital Grants and Contributions	1,498,000	6,583,653
General Revenues:		
Property Taxes	114,017,844	110,588,208
Grants and Contributions Not Restricted to Specific Purposes	2,436,064	2,025,279
Unrestricted Investment Earnings	181,432	85,687
Other General Revenues	76,024	29,560
Total Revenues	<u>158,402,244</u>	<u>174,118,467</u>
Expenses:		
General Government	6,913,025	5,268,652
Public Safety	14,579,379	11,919,633
Public Works	18,653,257	18,883,042
Human Services	1,943,660	1,567,870
Culture and Recreation	6,330,002	5,890,752
Education	98,336,368	109,108,696
Debt Service	2,823,051	1,275,032
Total Expenses	<u>149,578,742</u>	<u>153,913,677</u>
Increase in Net Position	8,823,502	20,204,790
Net Position - Beginning of Year	200,209,742	179,596,238
Restatement	-	408,714
Net Position - End of Year	<u><u>\$ 209,033,244</u></u>	<u><u>\$ 200,209,742</u></u>

As noted above, total revenues were \$158.4 million and the total cost of all programs and services was \$149.5 million. Our analysis below considers the operations of the fiscal year's governmental activities.

Governmental Activities

The Town's net position increased \$8.8 million 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 \$14.9 million at June 30, 2021 to \$27.5 million at the end of this year.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Governmental Activities (continued)

For governmental activities, approximately 71.9% of the revenues were derived from Property Taxes, followed by 17.7% in Operating Grants & Contributions and 7.7% in Charges for Services.

Major revenue factors included:

- Operating Grants decreased \$15.3 million due to on-behalf OPEB and Pension contributions relating to the State Teachers' Retirement System.
- Property tax revenues recorded during fiscal year 2022 reflect a 3.64% in grand list growth resulting in increased collections, strengthened collection policies and tax sale proceeds increased prior-year tax collections, interest and liens.
- Capital grants and contributions reflects a decrease of \$5.1 million over the previous year due to grant reimbursement requests for school construction costs including the new Eli Terry and PR Smith Elementary Schools.

For governmental activities, 65.7% of the Town's expenditures relate to education, 12.4% to public works, 9.7% to public safety, 4.6% for general government and 4.2% to culture and recreation. These percentages are fairly consistent with the prior year.

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**

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
General Government	\$ 6,913,025	\$ 5,268,652	\$ (3,934,580)	\$ (468,279)
Public Safety	14,579,379	11,919,633	(13,709,417)	(11,530,617)
Public Works	18,653,257	18,883,042	(11,485,461)	(6,119,841)
Human Services	1,943,660	1,567,870	(1,592,477)	(1,362,059)
Culture and Recreation	6,330,002	5,890,752	(4,342,204)	(4,810,350)
Education	98,336,368	109,108,696	(70,218,512)	(67,036,743)
Debt Service	2,823,051	1,275,032	(2,605,211)	(1,196,055)
Total	<u>\$ 149,578,742</u>	<u>\$ 153,913,677</u>	<u>\$ (107,887,862)</u>	<u>\$ (92,523,944)</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 \$43.2 million inclusive of an unassigned fund balance of \$30.0 million.

The General Fund is the operating fund of the Town. Fund balance of the Town's General Fund increased by \$4.2 million during the current fiscal year. At June 30, 2022, unassigned fund balance of the General Fund was \$33.1 million while total fund balance was \$39.1 million. The increase in fund balance is due to greater than expected revenues for building permits, recording fees and prior-year tax collections combined with expenditure savings in General Government, Public Works and Public Safety line items.

During the year, actual revenues and other financing sources on a budgetary basis were \$130.9 million which exceeded budgetary estimates by \$2.9 million. Increased collection enforcement pushed the collection rate to 99.5% versus the budgeted collection rate of 99.0% and generated positive variances in prior-year taxes, interest and lien revenue accounts. State of Connecticut Education Grants exceeded conservative budget estimates and added \$326,668 to the positive variance. Charges for current services exceeded budget expectations by \$767,627 primarily due to increased activity for building and fire marshal permits due to new construction and economic development, and higher Town Clerk fees.

Actual expenditures on a budgetary basis and other financing uses totaled \$126.5 million which was less than budgeted by \$1.4 million. Public Safety and Public Works accounts contributed \$293,241, and \$597,202 respectively to the overall positive variance due to unfilled positions, overtime savings and overall cost containment.

The Town's collection rate in fiscal year 2022 was 99.5%, which is slightly higher than the average collection rate over the past five fiscal years.

Capital Asset and Debt Administration

Capital Assets

The Town of South Windsor's cumulative investment in capital assets as of June 30, 2022 totals \$312.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, enterprise-wide software, streets & sidewalks, equipment, vehicles, water & sewer systems and construction in progress. The increase in total capital assets, net of depreciation, over the prior fiscal year was \$18.7 million.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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

- Completion of Town Hall Elevator renovation
- Completion of several fire/ADA upgrade projects
- Purchase of media and software upgrades
- Purchase Public Works heavy equipment and Police Interceptor Vehicles
- Purchase of Showmobile (mobile sound stage) for Parks & Recreation
- Construction in progress added \$20.9 million for Pleasant Valley Elementary School, bridge and road work and infrastructure
- Depreciation expense in the amount of \$6,567,870 was recognized

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

	Governmental Activities	
	2022	2021
Land	\$ 19,614,167	\$ 19,483,267
Buildings	84,824,224	87,321,346
Improvements Other than Buildings	16,807,282	15,478,223
Furniture and Equipment	6,816,175	7,903,342
Right to use Leased Assets	1,400,884	-
Infrastructure	77,823,859	79,246,115
Construction in Progress	105,024,212	84,105,893
Total	<u>\$ 312,310,803</u>	<u>\$ 293,538,186</u>

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

Long-Term Debt

In the current year, the Town issued \$20.0 million of general obligation bonds and \$3.1 million of general obligation refunding bonds to be financed over 20 years with interest rates ranging from 2.125% to 5.0%. The bonds will permanently finance elementary school construction, and road/drainage projects. At June 30, 2022, the Town had \$110.9 million in bonds and notes outstanding versus \$98.1 million in the previous year. 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 \$14.0 million for the construction of Pleasant Valley Elementary School and road/drainage projects. The plan is to issue bonds after projects are completed.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Long Term Debt (continued)

Debt service expenditures will continue to increase over the next several years as the Town permanently finances expenditures of \$58.5 million for the construction of Pleasant Valley Elementary School and \$50 million for road and drainage projects as approved in 2018 and 2022 per referendum. All projects are part of the Board of Education 10-year elementary facilities plan and 5-year capital projects plan.

The Town of South Windsor achieved a AAA rating from Standard and Poor's in February 2022 and maintains 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 \$777.8 million. As of June 30, 2022, the Town recorded total net debt of \$198.4 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 Budget

The Town Council considered many factors when setting the fiscal year 2022-2023 budget. The financial impact of the annual budget on residents surrounding the uncertainty and economic impacts of the global pandemic was the primary concern of town officials. The Town Council adopted a Budget Policy Statement to maintain the annual mill rate and discontinue the use of Unassigned Fund Balance. The 2022-2023 adopted budget included a .91 mill increase on real estate and personal property and a decrease of 5.40 mills on motor vehicles due to a rate cap imposed by the State of Connecticut.

Highlights of the Town's budget for the 2022-23 fiscal year include the following:

- The 2022-23 combined budgets for operating and capital programs total \$133.9 million, representing a 4.67% increase over the 2021-22 combined budget. The mill rate to support these expenditures was set at 38.77 an increase of .91 mills.
- The primary revenue source, property taxes, is budgeted at \$114.3 million, an increase of \$3.9 million, or 3.59% primarily due to the 2.91% growth on the 10/1/2021 Grand List.
- The Water Pollution Control authority sets the individual residential sewer rates and increased the per unit charge to \$425 from 415 in the previous year.
- The 2022-23 capital budget includes funding for 13 new and/or continuing projects totaling \$2.2 million, including roads/sidewalks, bridges, building upgrades, and general public facilities projects

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 Michael Maniscalco, 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, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 82,823,815
Investments	162,999
Receivables, Net	2,324,892
Supplies	31,416
Prepaid Items	54,165
Capital Assets Not Being Depreciated	124,638,379
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>187,672,424</u>
Total Assets	397,708,090
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	308,575
Deferred Outflows Related to Pensions	6,961,548
Deferred Outflows Related to OPEB	<u>4,431,589</u>
Total Deferred Outflows of Resources	11,701,712
LIABILITIES	
Accounts Payable and Accrued Liabilities	13,534,906
Unearned Revenue	4,475,428
Notes Payable	14,000,000
Noncurrent Liabilities:	
Due Within One Year	11,105,427
Due in More than One Year	<u>149,447,695</u>
Total Liabilities	192,563,456
DEFERRED INFLOWS OF RESOURCES	
Advance Property Tax Collections	4,275,598
Deferred Inflows Related to Pensions	37,219
Deferred Inflows Related to OPEB	<u>3,500,285</u>
Total Deferred Inflows of Resources	<u>7,813,102</u>
NET POSITION	
Net Investment in Capital Assets	175,877,622
Restricted for:	
Education	3,972,960
Public Safety	183,405
Public Works	529,177
Health and Welfare	878,665
Unrestricted	<u>27,591,415</u>
Total Net Position	<u><u>\$ 209,033,244</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 6,913,025	\$ 2,513,351	\$ 307,593	\$ 157,501	\$ (3,934,580)
Public Safety	14,579,379	254,201	615,761	-	(13,709,417)
Public Works	18,653,257	5,501,451	325,846	1,340,499	(11,485,461)
Human Services	1,943,660	196,731	154,452	-	(1,592,477)
Culture and Recreation	6,330,002	1,928,873	58,925	-	(4,342,204)
Education	98,336,368	1,796,148	26,321,708	-	(70,218,512)
Interest on Long-Term Debt	2,823,051	-	217,840	-	(2,605,211)
Total Governmental Activities	<u>\$ 149,578,742</u>	<u>\$ 12,190,755</u>	<u>\$ 28,002,125</u>	<u>\$ 1,498,000</u>	(107,887,862)
GENERAL REVENUES					
Property Taxes					114,017,844
Grants and Contributions Not Restricted to Specific Programs					2,436,064
Unrestricted Investment Earnings					181,432
Miscellaneous					76,024
Total General Revenues					<u>116,711,364</u>
CHANGE IN NET POSITION					
Net Position - Beginning of Year					<u>200,209,742</u>
NET POSITION - END OF YEAR					
					<u>\$ 209,033,244</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Capital Projects Fund	Sewer Operating Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 73,869,366	\$ -	\$ 28,936	\$ -	\$ 2,110,794	\$ 76,009,096
Investments	-	-	-	-	162,999	162,999
Receivables, Net	1,552,469	-	142,735	-	629,688	2,324,892
Due from Other Funds	44,390	16,084,330	1,756,550	3,582,075	3,664,081	25,131,426
Other Assets	41,819	-	-	-	43,762	85,581
Total Assets	<u>\$ 75,508,044</u>	<u>\$ 16,084,330</u>	<u>\$ 1,928,221</u>	<u>\$ 3,582,075</u>	<u>\$ 6,611,324</u>	<u>\$ 103,713,994</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payables	\$ 5,820,353	\$ 4,438,284	\$ 204,760	\$ 285,902	\$ 522,519	\$ 11,271,818
Due to Other Funds	25,087,036	-	-	-	44,390	25,131,426
Notes Payable	-	14,000,000	-	-	-	14,000,000
Unearned Revenue	-	762,544	-	3,296,173	416,711	4,475,428
Total Liabilities	<u>30,907,389</u>	<u>19,200,828</u>	<u>204,760</u>	<u>3,582,075</u>	<u>983,620</u>	<u>54,878,672</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	1,129,993	-	-	-	-	1,129,993
Unavailable Revenue - Sewer Use	-	-	142,735	-	-	142,735
Advance Property Tax Collections	4,275,598	-	-	-	-	4,275,598
Total Deferred Inflows of Resources	<u>5,405,591</u>	<u>-</u>	<u>142,735</u>	<u>-</u>	<u>-</u>	<u>5,548,326</u>
FUND BALANCES						
Nonspendable	41,819	-	-	-	43,762	85,581
Restricted	1,643,469	-	-	-	3,920,738	5,564,207
Committed	3,200,000	-	1,580,726	-	1,663,204	6,443,930
Assigned	1,122,761	-	-	-	-	1,122,761
Unassigned	33,187,015	(3,116,498)	-	-	-	30,070,517
Total Fund Balances	<u>39,195,064</u>	<u>(3,116,498)</u>	<u>1,580,726</u>	<u>-</u>	<u>5,627,704</u>	<u>43,286,996</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 75,508,044</u>	<u>\$ 16,084,330</u>	<u>\$ 1,928,221</u>	<u>\$ 3,582,075</u>	<u>\$ 6,611,324</u>	<u>\$ 103,713,994</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 43,286,996

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	482,950,079
Less: Accumulated Depreciation	(170,639,276)
Net Capital Assets	312,310,803

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	768,456
Interest Receivable on Property Taxes	361,537
Assessments and User Fee Receivable	106,207
Interest Receivable on Assessments and User Fees	36,528
Deferred Outflows Related to Pension	6,961,548
Deferred Outflows Related to OPEB	4,431,589

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.

5,730,719

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	(20,000,509)
Deferred Inflows Related to Pension	(37,219)
Deferred Inflows Related to OPEB	(3,500,285)
Bonds Payable	(110,500,000)
Clean Water Fund Loans	(438,040)
Interest Payable on Bonds and Notes	(1,179,088)
Compensated Absences	(8,219,133)
Lease Financing Arrangements	(3,651,736)
Lease Liability	(1,379,696)
Unamortized Bond Premium	(6,772,284)
Net OPEB Liability	(9,591,724)
Deferred Charge on Refunding	308,575

Net Position of Governmental Activities as Reported on the Statement of Net Position
(Exhibit I)

\$ 209,033,244

See accompanying Notes to Financial Statements.

TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Capital Projects Fund	Sewer Operating Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 114,381,705	\$ -	\$ -	\$ -	\$ -	\$ 114,381,705
Intergovernmental	24,799,837	1,505,602	-	575,157	7,580,540	34,461,136
Charges for Services	2,776,070	17,415	5,414,664	-	4,203,892	12,412,041
Investment Earnings	208,877	-	24	-	(29,806)	179,095
Miscellaneous	-	217,840	7,944	-	489,874	715,658
Total Revenues	142,166,489	1,740,857	5,422,632	575,157	12,244,500	162,149,635
EXPENDITURES						
Current:						
General Government	4,454,373	-	-	-	203,832	4,658,205
Public Safety	9,789,162	-	-	575,157	114,156	10,478,475
Public Works	8,301,138	-	4,466,873	-	208,216	12,976,227
Human Services	1,175,620	-	-	-	265,700	1,441,320
Culture and Recreation	3,516,564	-	-	-	1,958,637	5,475,201
Insurance and Sundry	8,368,690	-	-	-	-	8,368,690
Education	89,951,287	-	-	-	8,104,998	98,056,285
Debt Service	10,635,188	90,740	-	-	-	10,725,928
Capital Outlay	-	26,451,317	-	-	-	26,451,317
Total Expenditures	136,192,022	26,542,057	4,466,873	575,157	10,855,539	178,631,648
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,974,467	(24,801,200)	955,759	-	1,388,961	(16,482,013)
OTHER FINANCING SOURCES (USES)						
Issuance of General Obligation Bonds	-	20,000,000	-	-	-	20,000,000
Issuance of Refunding Bonds	-	3,100,000	-	-	-	3,100,000
Payments to Refunded Bond Escrow Agent	-	(3,220,583)	-	-	-	(3,220,583)
Issuance of Capital Lease	-	1,973,493	-	-	-	1,973,493
Premium on Refunding Bonds	-	1,211,323	-	-	-	1,211,323
Premium on General Obligation Bonds	573,500	-	-	-	-	573,500
Transfers In	53,255	3,798,420	17,923	-	-	3,869,598
Transfers Out	(2,379,472)	-	(1,463,948)	-	(26,178)	(3,869,598)
Total Other Financing Sources (Uses)	(1,752,717)	26,862,653	(1,446,025)	-	(26,178)	23,637,733
NET CHANGE IN FUND BALANCES	4,221,750	2,061,453	(490,266)	-	1,362,783	7,155,720
Fund Balances - Beginning of Year	34,973,314	(5,177,951)	2,070,992	-	4,264,921	36,131,276
FUND BALANCES - END OF YEAR	<u>\$ 39,195,064</u>	<u>\$ (3,116,498)</u>	<u>\$ 1,580,726</u>	<u>\$ -</u>	<u>\$ 5,627,704</u>	<u>\$ 43,286,996</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV)	\$	7,155,720
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Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

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		25,416,987
Depreciation Expense		(6,567,870)

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.

(76,500)

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		(61,942)
Property Tax Interest and Lien Revenue - Accrual Basis Change		(301,919)
Sewer User Fees and Assessment Receivable - Accrual Basis Change		(7,194)
Sewer User Fees and Assessment Interest Receivable - Accrual Basis Change		(21,235)
Change in Unavailable Grant Revenue		(252,748)
Change in Pension Assets		(69,009)
Deferred Outflows Related to Changes in Pension		4,790,054
Deferred Outflows Related to OPEB Changes		2,502,648

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		10,190,000
Clean Water Fund Loan Payments		109,033
Issuance of General Obligation Bonds		(20,000,000)
Issuance of Refunding Bonds		(3,100,000)
Premium on Bonds		(1,784,823)
Principal Payments - Lease Financing Arrangements		1,371,715
Issuance of Notes Payable - Lease Financing Arrangements		(1,964,911)
Amortization of Lease Liability		620,994
Issuance of Leases		(2,000,690)
Deferred Charge on Refunding		45,583

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		275,830
Accrued Interest		(244,767)
Amortization of Deferred Charge on Refunding		(55,425)
Amortization of Bond Premiums		1,078,435
Net Pension Liability		(13,608,535)
Deferred Inflows Related to Pension Changes		7,799,575
Deferred Inflows Related to OPEB Changes		(1,481,517)
Net OPEB Liability		(1,102,446)

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.

168,459

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$	<u>8,823,502</u>
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See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022**

	Governmental Activities
	<u>Internal Service Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 6,814,719
LIABILITIES	
Accounts and Other Payables	<u>1,084,000</u>
NET POSITION	
Unrestricted	<u><u>\$ 5,730,719</u></u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022

	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 14,433,363
OPERATING EXPENSES	
Employee Benefits	<u>14,267,292</u>
OPERATING INCOME (LOSS)	166,071
NONOPERATING REVENUE	
Income on investments	<u>2,388</u>
CHANGE IN NET POSITION	168,459
Net Position - Beginning of Year	<u>5,562,260</u>
NET POSITION - END OF YEAR	<u><u>\$ 5,730,719</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Premiums - Town Departments and Agencies	\$ 14,433,363
Claims Paid	<u>(13,964,272)</u>
Net Cash Provided (Used) by Operating Activities	469,091
CASH FLOWS FROM INVESTING ACTIVITIES	
Income from Investments	<u>2,388</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	471,479
Cash and Cash Equivalents - Beginning of Year	<u>6,343,240</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 6,814,719</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ 166,071
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	8,560
Increase (Decrease) In Accounts and Other Payables	<u>294,460</u>
Total Adjustments	<u>303,020</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 469,091</u></u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Pension and Other Employee Benefit Trust Funds
	<hr/>
ASSETS	
Cash and Cash Equivalents	\$ 332,605
Investments:	
Mutual Funds	56,861,811
Accounts Receivable	<hr/> 194,728
Total Assets	<hr/> 57,389,144 <hr/>
NET POSITION	
Restricted for Pension Benefits and Other Purposes	<hr/> \$ 57,389,144 <hr/>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 4,246,818
Plan Members	378,004
Total Contributions	<u>4,624,822</u>
Investment Earnings:	
Net Change in Fair Value of Investments	<u>(8,757,574)</u>
Total Additions	(4,132,752)
DEDUCTIONS	
Benefits	4,471,037
Administration	134,873
Total Deductions	<u>4,605,910</u>
CHANGE IN NET POSITION	(8,738,662)
Net Position - Beginning of Year	<u>66,127,806</u>
NET POSITION - END OF YEAR	<u><u>\$ 57,389,144</u></u>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The Town has established two single-employer defined benefit pension plans and one postretirement healthcare benefits (OPEB) plan to provide retirement benefits and postretirement healthcare benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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, including fiduciary component units, 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.

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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Town reports the following major governmental funds:

General Fund

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.

Capital Projects Fund

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

Sewer Operating Fund

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 are sewer assessments and use charges.

American Rescue Plan Act Fund

The American Rescue Plan Act Fund accounts for federal funds received under the American Rescue Plan Act.

Additionally, the Town reports the following fund types:

Internal Service Fund

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

Pension and Other Employee Benefit Trust Funds

The Pension and Other Employee Benefit Trust Funds account for the fiduciary 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.

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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

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 lien-ed each year prior to June 30.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables and Payables (Continued)

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. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

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:

Roads	75 Years
Bridges	50 Years
Sewer Collection Pipes	75 Years
Sewer Collection Manholes	75 Years
Buildings	40 Years
Improvements Other than Buildings	20 Years
Machinery and Equipment	5 to 20 Years
Vehicles	6 to 20 Years
Office Equipment	10 Years
Computer Equipment	3 Years

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in actuarial assumptions and differences between expected and actual investment returns.

These amounts are deferred and included in pension and OPEB 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). No deferred outflows of resources affect the governmental fund financial statements in the current year.

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 assets 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 and OPEB 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 and OPEB results from changes in assumptions. These amounts are deferred and included in pension and OPEB 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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. 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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Leases

The Town determines if an arrangement is a lease at inception. Leases are included in lease assets and lease liabilities in the statements of net position.

Lease assets represent the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Town will exercise that option.

The Town has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Town adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

- 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 major fund Capital Projects had a deficit fund balance of \$3,116,498, at June 30, 2022. The deficit will be funded with future charges for services, bonding and contributions from the General Fund.

C. Expenditures Exceed Appropriations

The following expenditure line items exceed their final appropriations within the General Fund budget:

Department	Amount
Town Attorney	\$ 198,153

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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). 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. STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There are no limitation or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

A. 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 FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Deposit Custodial Credit Risk (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$25,640,808 of the Town's bank balance of \$26,140,808 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 23,026,727
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>2,614,081</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 25,640,808</u></u>

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2022, the Town's cash equivalents amounted to \$56,831,542.

Credit Risk – Cash Equivalents

Credit risk is the risk that an issuer of an investments will not fulfill its obligation to the holder. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. The following chart summarizes year-end ratings for Town of South Windsor, Connecticut as rated by Standard & Poor's:

	Standard & Poor's
State Short-Term Investment Fund (STIF)	<u>AAAm</u>
Wells Fargo	*
People's United Bank	*

* Not Rated

B. Investments

Investments as of June 30, 2022, in all funds are as follows:

Investment Type	Fair Value
Mutual Funds	\$ 57,024,810

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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.

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, 2022, 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, 2022:

	June 30, 2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Mutual Funds	\$ 57,024,810	\$ 55,530,449	\$ 1,494,361	\$ -

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Custodial Credit Risk (Continued)

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.

NOTE 4 RECEIVABLES

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General	Sewer Operating Fund	Nonmajor and Other Funds	Total
Receivables:				
Interest	\$ 361,537	\$ 36,528	\$ -	\$ 398,065
Taxes	1,207,912	-	-	1,207,912
Accounts	260,840	99,665	273,135	633,640
Intergovernmental	-	-	551,281	551,281
Special Assessments	-	6,542	-	6,542
Gross Receivables	<u>1,830,289</u>	<u>142,735</u>	<u>824,416</u>	<u>2,797,440</u>
Less: Allowance for Uncollectibles:				
Taxes	<u>(277,820)</u>	<u>-</u>	<u>-</u>	<u>(277,820)</u>
Net Total Receivables	<u><u>\$ 1,552,469</u></u>	<u><u>\$ 142,735</u></u>	<u><u>\$ 824,416</u></u>	<u><u>\$ 2,519,620</u></u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases and Adjustments	Decreases	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 19,483,267	\$ 130,900	\$ -	\$ -	\$ 19,614,167
Construction In Progress	84,105,893	22,212,396	(1,294,077)	-	105,024,212
Total Capital Assets Not Being Depreciated	103,589,160	22,343,296	(1,294,077)	-	124,638,379
Capital Assets Being Depreciated:					
Buildings	152,067,410	-	-	-	152,067,410
Improvements Other than Buildings	29,043,174	2,190,792	(12,000)	-	31,221,966
Furniture and Equipment	25,683,858	2,168,394	(228,375)	(2,219,436)	25,404,441
Right-to-Use Leased Asset	-	8,582	-	1,992,108	2,000,690
Infrastructure	147,617,193	-	-	-	147,617,193
Total Capital Assets Being Depreciated	354,411,635	4,367,768	(240,375)	(227,328)	358,311,700
Less: Accumulated Depreciation for:					
Buildings	(64,746,064)	(2,497,122)	-	-	(67,243,186)
Improvements Other than Buildings	(13,564,951)	(849,933)	200	-	(14,414,684)
Furniture and Equipment	(17,780,516)	(1,198,753)	167,319	223,684	(18,588,266)
Right-to-Use Leased Asset	-	(599,806)	-	-	(599,806)
Infrastructure	(68,371,078)	(1,422,256)	-	-	(69,793,334)
Total Accumulated Depreciation	(164,462,609)	(6,567,870)	167,519	223,684	(170,639,276)
Total Capital Assets Being Depreciated, Net	189,949,026	(2,200,102)	(72,856)	(3,644)	187,672,424
Governmental Activities Capital Assets, Net	\$ 293,538,186	\$ 20,143,194	\$ (1,366,933)	\$ (3,644)	\$ 312,310,803

The adjustment column is solely related to the implementation of GASB 87 *Leases*.

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

Governmental Activities:	
General Government	\$ 322,477
Public Safety	881,114
Public Works	2,183,000
Culture and Recreation	360,974
Human Services	38,670
Education	2,781,635
Total Depreciation Expense - Governmental Activities	<u>\$ 6,567,870</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL ASSETS (CONTINUED)

Construction Commitments

The Town has active construction projects as of June 30, 2022. At year-end, the Town's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Road Improvement Projects	\$ 2,406,185	\$ 5,095,587
Board of Education Projects	16,205,605	41,013,482
Other Projects	241,703	1,442,372
Sewer Projects	692,906	1,001,386

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

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are a result of timing differences between the dates payments occurred for various activities. A summary of interfund balances as of June 30, 2022, is presented below:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 44,390
Sewer Operating Fund	General Fund	1,756,550
ARPA Fund	General Fund	3,582,075
Nonmajor Governmental Funds	General Fund	3,664,081
Capital Projects Funds	General Fund	16,084,330
Total		<u>\$ 25,131,426</u>

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

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds. The transfers that occurred during the year are as follows:

	Transfers In			Total Transfers Out
	General Fund	Capital Projects	Sewer Operating	
Transfers Out:				
General Fund	\$ -	\$ 2,379,472	\$ -	\$ 2,379,472
Sewer Operating	45,000	1,418,948	-	1,463,948
Nonmajor Governmental	8,255	-	17,923	26,178
Total Transfers In	<u>\$ 53,255</u>	<u>\$ 3,798,420</u>	<u>\$ 17,923</u>	<u>\$ 3,869,598</u>

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

A schedule of long-term liabilities outstanding at June 30, 2022, is presented below:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
Bonds Payable	\$ 97,590,000	\$ 23,100,000	\$ (10,190,000)	\$ 110,500,000	\$ 7,655,000
Premiums	6,065,896	1,784,823	(1,078,435)	6,772,284	-
Subtotal	103,655,896	24,884,823	(11,268,435)	117,272,284	7,655,000
Direct Placements:					
Clean Water Fund Loans	547,073	-	(109,033)	438,040	110,775
Lease Financing Arrangements	3,058,540	1,964,911	(1,371,715)	3,651,736	946,127
Lease Liability	-	2,000,690	(620,994)	1,379,696	586,676
Compensated Absences	8,494,963	-	(275,830)	8,219,133	1,806,849
Net OPEB Liability	8,489,278	1,102,446	-	9,591,724	-
Net Pension Liability	6,391,974	13,608,535	-	20,000,509	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 130,637,724</u>	<u>\$ 43,561,405</u>	<u>\$ (13,646,007)</u>	<u>\$ 160,553,122</u>	<u>\$ 11,105,427</u>

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

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

Bonds and notes payable at June 30, 2022, comprise the following:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2022
General Purpose:					
Improvement Bond	2/15/2012	2/15/2022	1.0-2.0%	\$ 2,000,000	\$ -
Refunding Bond	6/4/2014	8/15/2022	2.0-5.0%	4,222,000	490,000
Improvement Bond	2/17/2016	2/15/2036	2.0-5.0%	3,000,000	-
Improvement Bond	2/15/2017	2/15/2033	2.0-5.0%	4,000,000	2,125,000
Improvement Bond	2/16/2018	2/15/2038	3.0-5.0%	4,000,000	3,370,000
Refunding Bond	8/15/2017	8/15/2033	2.0-4.0%	1,862,000	1,510,000
Improvement Bond	2/14/2019	2/1/2039	2.0-5.0%	750,000	645,000
Refunding Bond	6/27/2019	8/1/2030	2.375-4.0%	9,155,000	7,715,000
Improvement Bond	2/12/2021	6/30/2041	1.1-4.0%	4,000,000	3,800,000
Refunding Bond	3/30/2021	6/30/2035	2.0-4.0%	1,393,000	1,303,000
Improvement Bond	1/27/2022	2/1/2042	2.125-5.0%	5,000,000	5,000,000
Refunding Bond	1/27/2022	2/15/2036	2.0-5.0%	2,144,000	2,144,000
Schools:					
Improvement Bond	2/17/2016	2/15/2036	2.0-5.0%	1,300,000	-
Improvement Bond	2/15/2017	2/15/2033	3.0-5.0%	7,860,000	4,725,000
Improvement Bond	2/16/2018	2/15/2038	3.0-5.0%	7,500,000	5,990,000
Refunding Bond	8/15/2017	8/15/2033	2.0-4.0%	702,000	569,000
Improvement Bond	2/14/2019	2/1/2039	2.0-5.0%	4,500,000	3,855,000
Improvement Bond	2/13/2020	2/1/2040	2.0-5.0%	13,500,000	12,150,000
Improvement Bond	2/12/2021	6/30/2041	1.1-4.0%	23,000,000	21,850,000
Refunding Bond	3/30/2021	6/30/2035	2.0-4.0%	2,240,000	2,060,000
Improvement Bond	1/27/2022	2/1/2042	2.125-5.0%	15,000,000	15,000,000
Refunding Bond	1/27/2022	2/15/2036	2.0-5.0%	956,000	956,000
Sewer:					
Clean Water Note					
Vernon Wastewater	1/1/2002	7/1/2021	2%	800,000	-
Clean Water Note					
Pleasant Valley	11/30/2005	5/31/2025	2%	402,727	68,567
Clean Water Note					
Submersible Pump					
Station	12/28/2006	7/1/2026	2%	1,568,029	369,473
Refunding Bond	8/15/2017	8/15/2033	2.0-4.0%	1,561,000	1,266,000
Refunding Bond	3/30/2021	6/30/2023	2.0-4.0%	15,477,000	13,977,000
Total					<u>\$ 110,938,040</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

The following is a schedule of future debt service requirements as of June 30, 2022:

Fiscal Year Ending	General Obligation Bonds		Clean Water Fund Loans		Total Debt Service	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2023	\$ 7,655,000	\$ 3,401,392	\$ 110,775	\$ 7,749	\$ 7,765,775	\$ 3,409,141
2024	7,370,000	3,061,344	113,011	5,513	7,483,011	3,066,857
2025	7,325,000	2,749,069	113,274	3,232	7,438,274	2,752,301
2026	7,425,000	2,437,169	93,135	1,169	7,518,135	2,438,338
2027	7,470,000	2,122,531	7,845	13	7,477,845	2,122,544
2028-2032	36,930,000	6,874,606	-	-	36,930,000	6,874,606
2033-2037	22,765,000	3,020,594	-	-	22,765,000	3,020,594
2038-2042	13,560,000	754,713	-	-	13,560,000	754,713
Total	<u>\$ 110,500,000</u>	<u>\$ 24,421,418</u>	<u>\$ 438,040</u>	<u>\$ 17,676</u>	<u>\$ 110,938,040</u>	<u>\$ 24,439,094</u>

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

The Town issued \$20,000,000 of general obligation bonds on January 17, 2022, for various capital improvement projects. The bonds bear interest of 2.125% - 5.0% and mature on February 1, 2042.

On January 17, 2022, the Town issued \$3,100,000 in General Obligation Refunding Bonds with interest rates between 2.00% and 5.00% and a final maturity of February 15, 2036. The bonds were issued to advance refund the 2016 General Obligation Bonds of \$3,175,000. The net proceeds of \$3,220,583 (after an original premium of \$211,323 and payment of \$87,256 in underwriter's fees and other issuance costs) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United State of America to provide all future debt service payments on the refunded bonds. The refunded bonds with a balance of \$3,175,000 were considered defeased and the liability for those bonds has been removed from the statement of net assets. The transaction generated a cash flow savings of \$78,019 and a present value savings of \$72,075. The bonds were later called prior to year-end and the escrow balance is \$-0- at June 30, 2022.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities (Continued)

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:

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 250,010,899	\$ 56,767,995	\$ 193,242,904
Schools	500,021,798	126,008,012	374,013,786
Sewers	416,684,831	15,681,040	401,003,791
Urban Renewal	361,126,854	-	361,126,854
Pension Deficit	333,347,865	-	333,347,865

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$777,811,685.

Authorized and unissued debt is as follows:

Project	Authorized	Bonds/BANS		Authorized But Unissued
		Issued	Grants	
Water Pollution Control Facility	\$ 47,000,000	\$ 27,516,583	\$ 7,760,005	\$ 11,723,412
Orchard Hill Elementary School	33,521,724	21,200,000	11,518,646	803,078
2014 - Road/Drainage	12,000,000	11,350,000	647,417	2,583
Eli Terry Elementary School	37,419,060	23,000,000	11,009,401	3,409,659
Philip R. Smith Elementary School	32,480,940	19,600,000	9,040,665	3,840,275
2009 Open Space Acquisitions	2,000,000	400,000	-	1,600,000
2018 - Road/Various Public	15,000,000	12,000,000	-	3,000,000
Pleasant Valley Elementary School	58,500,000	17,700,000	-	40,800,000
2021 - Various Public	9,340,000	1,000,000	-	8,340,000
Total	<u>\$ 247,261,724</u>	<u>\$ 133,766,583</u>	<u>\$ 39,976,134</u>	<u>\$ 73,519,007</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

Lease Financing Arrangements

The Town has financing 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. These agreements vary in duration through June 30, 2031 and interest rates from 1.36% to 6.38%.

The following is a schedule of future payments as of June 30, 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 946,127	\$ 81,349
2024	864,389	55,008
2025	601,343	33,238
2026	567,323	20,857
2027	211,979	10,416
2028-2031	460,575	15,882
Total	<u>\$ 3,651,736</u>	<u>\$ 216,750</u>

Bond Anticipation Notes

The Town issued bond anticipation notes on February 11, 2022, maturing on February 10, 2023, for \$14,000,000. The current interest rate on the notes is 2.25% 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, 2022:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2022</u>
2018 - Road/Various Public Improvements	2/12/2021	2/11/2022	1.50%	\$ 5,000,000	\$ -	\$ (5,000,000)	\$ -
Pleasant Valley Elementary School	2/12/2021	2/11/2022	1.50%	1,000,000	-	(1,000,000)	-
2018 - Road/Various Public Improvements	2/11/2022	2/10/2023	2.25%	-	3,000,000	-	3,000,000
Pleasant Valley Elementary School	2/11/2022	2/10/2023	2.25%	-	10,000,000	-	10,000,000
2021 - Various Public Improvements	2/11/2022	2/10/2023	2.25%	-	1,000,000	-	1,000,000
Total				<u>\$ 6,000,000</u>	<u>\$ 14,000,000</u>	<u>\$ (6,000,000)</u>	<u>\$ 14,000,000</u>

Lease Liability

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LONG-TERM DEBT (CONTINUED)

Lease Liability (Continued)

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30.</u>	<u>Lease Principal</u>	<u>Lease Interest</u>
2023	\$ 586,676	33,426
2024	444,186	22,252
2025	327,650	11,121
2026	19,958	419
2027	1,226	-
Total	<u>\$ 1,379,696</u>	<u>\$ 67,218</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Amount</u>
Equipment	\$ 2,000,690
Accumulated Depreciation	<u>(599,806)</u>
Net Leased Equipment	<u>\$ 1,400,884</u>

NOTE 8 FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2022, are as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 31,416	\$ 31,416
Prepaid Items	41,819	-	-	1,649	43,468
Restricted for:					
Education	1,643,469	-	-	2,329,491	3,972,960
Public Safety	-	-	-	183,405	183,405
Public Works	-	-	-	529,177	529,177
Health and Welfare	-	-	-	878,665	878,665
Committed to:					
General Government	-	-	-	387,130	387,130
Public Safety	-	-	-	81,422	81,422
WPCA Capital					
Improvements	-	-	-	-	-
Public Works	-	-	1,580,726	-	1,580,726
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	799,679	799,679
Education	-	-	-	394,973	394,973
Capital Projects	-	-	-	-	-
Tax Stabilization Program	3,200,000	-	-	-	3,200,000

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 FUND BALANCE (CONTINUED)

	General Fund	Capital Projects	Sewer Operating Fund	Nonmajor Governmental Funds	Total
Fund Balances (Continued):					
Assigned to:					
Various Capital Projects					
Subsequent Year's					
Budget:					
General Government	\$ 25,422	\$ -	\$ -	\$ -	\$ 25,422
Public Safety	223,206	-	-	-	223,206
Public Works	150,973	-	-	-	150,973
Health and Welfare	1,012	-	-	-	1,012
Culture and Recreation	29,383	-	-	-	29,383
Education	692,765	-	-	-	692,765
Unassigned	33,187,015	(3,116,498)	-	-	30,070,517
Total Fund Balances	<u>\$ 39,195,064</u>	<u>\$ (3,116,498)</u>	<u>\$ 1,580,726</u>	<u>\$ 5,617,007</u>	<u>\$ 43,276,299</u>

Significant encumbrances of \$1,122,761, \$35,091 and \$7,919 are included in the General Fund, Sewer Operating Fund, and nonmajor governmental fund Recreation, respectively, at June 30, 2022.

NOTE 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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

A. Plan Description and Benefits Provided (Continued)

As of July 1, 2022, the plans' membership consisted of:

	Town Plan	Board of Education Plan
Retirees and Beneficiaries Currently Receiving Benefits	98	78
Terminated Members Entitled to Benefits But Not Yet Receiving Them	18	20
Current Active Members	58	55
Total	<u>174</u>	<u>153</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.

C. 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 10 years of continuous service. Highway, dispatchers, pollution union, town hall, management, and library employees are 100% vested after completing five years of continuous service. Plan is now closed to newly hired employees.

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. Plan is now closed to newly hired employees.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

D. 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.

E. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. 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 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, 2022:

Asset Class	Targeted Allocation
US Core Fixed Income (Aggregate)	23.50 %
US TIPS (Inflation-Indexed Bonds)	1.23
US Bank/Leveraged Loans	1.50
Global Bonds	2.50
US Large Cap Equity	16.00
US Large & Mid Cap Growth Equity	4.00
US Large & Mid Cap Value Equity	6.50
US Small Cap Equity	9.00
Non-US Equity	28.00
Global REITs	5.85
Infrastructure - Public	0.70
Commodities	1.22
Total	100.00 %

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

E. Investments (Continued)

Rate of Return

For the year ended June 30, 2022, 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 -13.05% and -13.29%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

F. Net Pension Liability of the Town

The components of the net pension liability of the Town and Board of Education plans at June 30, 2022, were as follows:

	Town	Board of Education
Total Pension Liability	\$ 52,304,133	\$ 20,973,532
Plan Fiduciary Net Position	36,512,372	16,764,784
Net Pension Liability	<u>\$ 15,791,761</u>	<u>\$ 4,208,748</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.81%	79.93%

Actuarial Assumptions

The total pension liability for the Town and Board of Education plans were determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.0%, Average, Including Inflation
Investment Rate of Return	6.25% for the Town and Board of Education, Net of Pension Plan Investment Expense, Including Inflation
Amortization Period	24 Years, Closed

Mortality rates were based on the PubS-2010 for Police and PubG-2010 for all others, Mortality Table with generational projection per the MP ultimate scale.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

Long-Term Expected Rate of Return

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, 2022, (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return	
	Town	Board of Education
US Core Fixed Income (Aggregate)	1.26 %	1.26 %
US TIPS (Inflation-Indexed Bonds)	0.50	0.50
US Bank/Leveraged Loans	3.18	3.18
Global Bonds	(0.41)	(0.41)
US Large Cap Equity	3.65	3.65
US Large & Mid Cap Growth Equity	3.27	3.27
US Large & Mid Cap Value Equity	3.64	3.64
US Small Cap Equity	3.89	3.89
Non-US Equity	4.90	4.90
Global REITs	3.93	3.93
Infrastructure - Public	3.75	3.75
Commodities	0.59	0.59

Discount Rate

The discount rate used to measure the total pension liability for the Town and Board of Education plans was 6.25%. 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.

The discount rate of 6.25%.for the Town and Board of Education plans as of June 30, 2022, changed from 6.50% as of June 30, 2021.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

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 6.25%, 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:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Town's Net Pension Liability	\$ 22,219,424	\$ 15,791,761	\$ 10,704,240
Board of Education's Net Pension Liability	6,644,751	4,208,748	2,243,306

Changes in the Net Pension Liability

	Town Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2021	\$ 48,426,833	\$ 42,034,859	\$ 6,391,974
Changes for the Year:			
Service Cost	668,222	-	668,222
Interest on Total Pension Liability	3,105,018	-	3,105,018
Differences Between Expected and Actual Experience	1,565,349	-	1,565,349
Changes in Assumptions	1,232,180	-	1,232,180
Employer Contributions	-	2,566,211	(2,566,211)
Member Contributions	-	223,027	(223,027)
Net Investment Income	-	(5,540,223)	5,540,223
Benefit Payments, Including Refund to Employee			
Contributions	(2,693,469)	(2,693,469)	-
Administrative Expenses	-	(78,033)	78,033
Net Changes	3,877,300	(5,522,487)	9,399,787
Balances - June 30, 2022	\$ 52,304,133	\$ 36,512,372	\$ 15,791,761

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

Changes in the Net Pension Liability (Continued)

	Board of Education Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2021	\$ 19,595,133	\$ 19,664,142	\$ (69,009)
Changes for the Year:			
Service Cost	451,020	-	451,020
Interest on Total Pension Liability	1,268,936	-	1,268,936
Differences Between Expected and Actual Experience	246,717	-	246,717
Changes in Assumptions	476,623	-	476,623
Employer Contributions	-	624,728	(624,728)
Member Contributions	-	154,977	(154,977)
Net Investment Income (Loss)	-	(2,559,909)	2,559,909
Benefit Payments, Including Refund to Employee			
Contributions	(1,064,897)	(1,064,897)	-
Administrative Expenses	-	(54,257)	54,257
Net Changes	1,378,399	(2,899,358)	4,277,757
Balances - June 30, 2022	\$ 20,973,532	\$ 16,764,784	\$ 4,208,748

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town and Board of Education pension plans recognized pension expense of \$3,117,776 and \$1,161,078, respectively. At June 30, 2022, 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:

	Town	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 941,046	\$ -
Changes of Assumptions	1,199,894	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	2,644,758	-
Total	\$ 4,785,698	\$ -

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

F. Net Pension Liability of the Town (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Board of Education	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 285,266	\$ 37,219
Changes of Assumptions	661,519	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	1,229,065	-
Total	<u>\$ 2,175,850</u>	<u>\$ 37,219</u>

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

<u>Year Ending June 30,</u>	Town	Board of Education
2023	\$ 2,199,220	\$ 823,279
2024	781,123	478,599
2025	150,743	71,309
2026	1,654,612	765,444
Total	<u>\$ 4,785,698</u>	<u>\$ 2,138,631</u>

G. Combining Financial Statements

	Town Plan	Board of Education Plan	Other Post Employment Benefit Trust Fund	Total
Assets:				
Cash and Cash Equivalent	\$ 40,442	\$ 277,200	\$ 14,963	\$ 332,605
Investments, at Fair Value:				
Mutual Funds	36,471,930	16,292,856	4,097,025	56,861,811
Accounts Receivable	-	194,728	-	194,728
Total Assets	<u>\$ 36,512,372</u>	<u>\$ 16,764,784</u>	<u>\$ 4,111,988</u>	<u>\$ 57,389,144</u>
Net Position Restricted for Pension Benefits	<u>\$ 36,512,372</u>	<u>\$ 16,764,784</u>	<u>\$ 4,111,988</u>	<u>\$ 57,389,144</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Pension Trust Fund (Continued)

G. Combining Financial Statements (Continued)

	Town Plan	Board of Education Plan	Other Post Employment Benefit Trust Fund	Total
Additions:				
Contributions:				
Employer	\$ 2,566,211	\$ 624,728	\$ 1,055,879	\$ 4,246,818
Employee	223,027	154,977	-	378,004
Total Contributions	2,789,238	779,705	1,055,879	4,624,822
Investment Income (Loss):				
Net Change in Fair Value of Investments	(5,540,223)	(2,559,909)	(657,442)	\$ (8,757,574)
Total Additions	(2,750,985)	(1,780,204)	398,437	(4,132,752)
Deductions:				
Benefits	2,693,469	1,064,897	712,671	4,471,037
Administration	78,033	54,257	2,583	134,873
Total Deductions	2,771,502	1,119,154	715,254	4,605,910
Changes in Net Position	(5,522,487)	(2,899,358)	(316,817)	(8,738,662)
Net Position - Beginning of Year	42,034,859	19,664,142	4,428,805	66,127,806
Net Position - End of Year	<u>\$ 36,512,372</u>	<u>\$ 16,764,784</u>	<u>\$ 4,111,988</u>	<u>\$ 57,389,144</u>

Connecticut Teachers Retirement System – Pension

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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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 three 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.

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.

For the year ended June 30, 2022, the amount of "on-behalf" contributions made by the State was \$10,878,420 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

Employees

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

Effective July 1, 2018, the required contribution increased to 7% of pensionable salary.

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

At June 30, 2022, 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	129,916,402
Total	<u><u>\$ 129,916,402</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2022, the Town recognized pension expense and revenue of \$8,386,406 in Exhibit II.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

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%.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return

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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

Asset Class	Expected Return	Target Allocation
Domestic Equity Fund	5.60 %	20.00 %
Developed Market Intl. Stock Fund	6.00	11.00
Emerging Market Intl. Stock Fund	7.90	9.00
Core Fixed Income Fund	2.10	16.00
Inflation Linked Bond Fund	1.10	5.00
Emerging Market Debt Fund	2.70	5.00
High Yield Bond Fund	4.00	6.00
Real Estate Fund	4.50	10.00
Private Equity	7.30	10.00
Alternative Investments	2.90	7.00
Liquidity Fund	0.40	1.00
Total		<u>100.00 %</u>

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

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.

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.

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, 2022, for these groups was \$272,651 and represented 6.0% of covered payroll. The employees' contributions were \$320,290 and represented the required 6.0% of covered payroll plus any additional contributions up to the IRS allowable maximum.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Contribution Plan (Continued)

C. Contribution Requirements and Contributions Made (Continued)

The employer contribution for Town management group employees is 12.07% of earnings. The total Town contribution during the year ended June 30, 2022, for this group was \$439,894 and represented 12.07% of covered payroll. The employees required contributions were \$184,601 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.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

OPEB Plan

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.

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, 2021, actuarial valuation, the entry age normal actuarial cost method was used. The ADC reflects a closed period, level dollar amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 6.25% investment rate of return and inflation rate of 2.50%.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

A. Plan Description (Continued)

Management of the postemployment 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, 2021, plan membership consisted of the following:

Active Members	813
Retired Members	88
Beneficiaries	6
Spouses of Retired Members	43
Total Participants	<u>950</u>

B. Funding Policy

The Town currently pays for postemployment healthcare 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 Nonunion, 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

B. Funding Policy (Continued)

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 Nonbargaining (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, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -13.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

D. Net OPEB Liability of the Town

The Town's net OPEB liability was measured at June 30, 2022. The components of the net OPEB liability of the Town at June 30, 2022, were as follows:

	OPEB Plan
Total OPEB Liability	\$ 13,703,712
Plan Fiduciary Net Position	4,111,988
Net OPEB Liability	<u>\$ 9,591,724</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.01%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Graded by Age for Teachers and Administrators; 3.00% for all Others
Investment Rate of Return	6.25%
Healthcare Cost Trend Rates	Varies By Year
Amortization Method	Level Dollar Closed, 23 Years

Mortality rates were based on the PubS-2010 Mortality Table with generational projection per the MP-2014 ultimate scale police and PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale for all others. This assumption includes a margin for mortality improvements in longevity beyond the valuation date.

The plan has not had a formal actuarial experience study performed.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

D. Net OPEB Liability of the Town (Continued)

Long-Term Rate of Return

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, 2022, are summarized in the following table:

Asset Class	Targeted Allocation	Long-Term Expected Real Rate of Return
US Core Fixed Income (Aggregate)	23.75 %	1.26 %
US TIPS (Inflation-Indexed Bonds)	1.58	0.50
US Bank/Leveraged Loans	1.75	3.18
Global Bonds	2.00	(0.41)
US Large Cap Equity	16.00	3.65
US Large & Mid Cap Growth Equity	4.00	3.27
US Large & Mid Cap Value Equity	6.50	3.64
US Small Cap Equity	9.00	3.89
Non-US Equity	28.00	4.90
Global REITs	4.95	3.93
Infrastructure - Public	0.90	3.75
Commodities	1.57	0.59
Total	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. 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.

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

E. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2021	\$ 12,918,083	\$ 4,428,805	\$ 8,489,278
Changes for the Year:			
Service Cost	440,843	-	440,843
Interest on Total Pension Liability	878,068	-	878,068
Differences between expected and actual experience	2,768,154	-	2,768,154
Changes in assumptions	(2,588,765)	-	(2,588,765)
Employer Contributions	-	1,055,879	(1,055,879)
Net Investment Income (Loss)	-	(657,442)	657,442
Benefit Payments	(712,671)	(712,671)	-
Administrative Expenses	-	(2,583)	2,583
Net Changes	785,629	(316,817)	1,102,446
Balances - June 30, 2022	<u>\$ 13,703,712</u>	<u>\$ 4,111,988</u>	<u>\$ 9,591,724</u>

The liability changes include assumption changes to the discount rate, the healthcare cost rate, and annual salary increases.

F. 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 (5.25%) or 1-percentage-point-higher (7.25%) than the current discount rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 10,825,402	\$ 9,591,724	\$ 8,503,005

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan (Continued)

G. 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 or 1-percentage-point-higher than the current healthcare cost trend rates:

	1% Decrease Over 52 Years)	Current Trend Rate Over 52 Years)	1% Increase Over 52 Years)
Net OPEB Liability	\$ 8,296,121	\$ 9,591,724	\$ 11,084,773

H. OPEB Expense, and Deferred Outflows of Resources and Deferred inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$1,137,194. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,978,554	\$ 1,160,440
Changes of Assumptions or Other Inputs	136,617	2,339,845
Net Difference Between Projected and Actual Earning	316,418	-
Total	<u>\$ 4,431,589</u>	<u>\$ 3,500,285</u>

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

<u>Year Ending June 30,</u>	
2023	\$ 100,423
2024	82,348
2025	68,787
2026	236,439
2027	309,052
Thereafter	134,255
Total	<u>\$ 931,304</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan

A. Plan Description

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

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

B. Benefit Provisions

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

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

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their healthcare coverage or elect to not enroll in a CTRB sponsored healthcare coverage option must wait two years to re-enroll.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

B. Benefit Provisions (Continued)

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

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

Normal Retirement

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

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

D. Contributions

State of Connecticut

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

Employer (School Districts)

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

For the year ended June 30, 2022, the amount of "on-behalf" contributions made by the State was \$255,990 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one-third of the plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

At June 30, 2022, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	14,154,154
Total	<u>\$ 14,154,154</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2020. At June 30, 2022, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2022, the Town recognized OPEB expense and revenue of \$-552,668 in Exhibit II.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Healthcare Costs Trend Rate	5.125% for 2020, Decreasing to an Ultimate Rate of 4.50% by 2023
Salary Increase	3.00%-6.50%, Including Inflation
Investment Rate of Return	2.17%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position Will be Depleted	2023

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 2.21% to 2.17%.
- Expected annual per capita claims costs were updated to better reflect anticipated Medicare and prescription drug claim experience based on scheduled premium increases through calendar year 2024.

The changes in the benefit terms since the prior year are as follows:

- There were no changes to benefit terms in the two years preceding the measurement date.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

F. Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.42%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 2.17%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2023 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate and the Discount Rate

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

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Connecticut State Teachers Retirement Plan (Continued)

I. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

J. 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.

NOTE 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.

Town health benefits are provided through an Internal Service Fund. The Self Insurance Reserve Fund accounts for medical claim activity and service fees on a self-insured basis. Town liability is limited through the purchase of Individual Stop Loss (ISL) and that caps the Town's liability annually to \$200,000 per participant. Anthem and Delta Dental are the Town's medical providers and administer payment of claims directly to providers. The town works with a consultant to analyze claims, calculate the incurred but not reported (IBNR) claims liability at year-end as well as advise the town on all health-related issues throughout the year.

An analysis of the activity in the claims liability for the medical insurance fund is as follows:

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
Medical Insurance Fund:				
2020-2021	\$ 735,000	\$ 12,935,372	\$ 12,880,832	\$ 789,540
2021-2022	789,540	14,267,292	13,972,832	1,084,000

TOWN OF SOUTH WINDSOR, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 RISK MANAGEMENT (CONTINUED)

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.

NOTE 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.

NOTE 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 \$2,157,602 for the year ended June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
REVENUES				
Property Taxes:				
Current Taxes	\$ 110,381,262	\$ 110,381,262	\$ 109,988,225	\$ (393,037)
Delinquent Taxes	400,000	400,000	1,432,910	1,032,910
Supplemental Motor Vehicles	900,000	900,000	1,358,263	458,263
Interest	425,000	425,000	1,564,549	1,139,549
Liens	4,000	4,000	7,183	3,183
Housing Authority - Pilot (in Lieu of Taxes)	33,000	33,000	-	(33,000)
Telephone Access Relief	35,000	35,000	30,575	(4,425)
Total Property Taxes	112,178,262	112,178,262	114,381,705	2,203,443
Intergovernmental:				
State Assistance - Education:				
Education Equalization	10,700,000	10,700,000	11,026,668	326,668
Other Assistance:				
Elderly Tax Freeze	-	-	1,992	1,992
State in Lieu of Taxes	142,250	142,250	142,250	-
DOT Elderly Transportation	33,444	33,444	33,444	-
FEMA Reimbursements	-	-	161,084	161,084
State Sundry Grants	25,000	25,000	20,481	(4,519)
Youth Service Grants	20,746	20,746	21,130	384
Municipal Stabilization	-	-	57,854	57,854
Municipal Grants-In-Aid	1,776,486	1,776,486	2,187,387	410,901
Veterans' Exemption	14,000	14,000	13,137	(863)
Total Intergovernmental	12,711,926	12,711,926	13,665,427	953,501
Charges for Services:				
Public Works Compost Revenue	60,000	60,000	76,589	16,589
Building Permits	750,000	750,000	1,221,856	471,856
Town Manager's Rents	9,600	9,600	4,649	(4,951)
Probate Court Rentals	8,000	8,000	7,571	(429)
Town Clerk Fees	600,000	600,000	878,626	278,626
Planning and Zoning Fees	20,000	20,000	40,200	20,200
General Government Sundry	250,000	250,000	83,342	(166,658)
Police	20,000	20,000	19,661	(339)
Recycling Rebate	-	-	26,906	26,906
Health Permits	20,000	20,000	31,550	11,550
Engineering Permits	9,000	9,000	14,900	5,900
Zoning Board of Appeals	1,000	1,000	-	(1,000)
Refuse and Recycling	70,000	70,000	82,901	12,901
Fire Marshal Fees	50,000	50,000	146,476	96,476
Total Charges for Services	1,867,600	1,867,600	2,635,227	767,627
Investment Earnings	150,000	150,000	207,416	57,416
Total Revenues	126,907,788	126,907,788	130,889,775	3,981,987

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
OTHER FINANCING SOURCES				
Transfers In:				
Sewer Operating	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Library Funds	14,000	14,000	8,255	(5,745)
Fund Balance Appropriation	1,000,000	1,000,000	-	(1,000,000)
Total Other Financing Sources	<u>1,059,000</u>	<u>1,059,000</u>	<u>53,255</u>	<u>(1,005,745)</u>
 Total Revenues and Other Financing Sources	<u>\$ 127,966,788</u>	<u>\$ 127,966,788</u>	130,943,030	<u>\$ 2,976,242</u>

Budgetary revenues are different from GAAP revenues because:

Premiums on bond issuance not budgeted	573,500
Special Ed Reserve revenue not budgeted	1,461
Cancellation of prior year encumbrances	140,843
OPEB expense from State of Connecticut	255,990
Pension expense from State of Connecticut	<u>10,878,420</u>

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

\$ 142,793,244

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES				
General Government:				
Legislative:				
Town Council	\$ 194,896	\$ 194,896	\$ 169,910	\$ 24,986
Boards and Commissions:				
Human Relations Commission	2,500	2,500	1,092	1,408
Historic District Commission	1,000	1,000	225	775
Public Building Commission	2,050	2,050	1,638	412
Housing Authority	1,000	1,000	-	1,000
Inland/Wetlands - Conservation	7,455	6,130	4,150	1,980
Land Preservation Advisory	300	300	-	300
Open Space Task Force	500	500	-	500
Juvenile Firesetter Commission	1,000	1,000	-	1,000
Park and Recreation Commission	4,900	4,244	1,290	2,954
Planning and Zoning	9,500	12,481	12,480	1
Zoning Board of Appeals	3,200	2,700	1,938	762
Economic Development Coordinator	3,300	2,800	1,820	980
Total Boards and Commissions	36,705	36,705	24,633	12,072
Judicial:				
Probate Court	20,375	20,375	12,725	7,650
Elections:				
Registrar of Voters	187,894	187,894	156,024	31,870
Executive:				
Town Manager	249,424	249,424	240,014	9,410
Human Resources	284,092	284,092	267,518	16,574
Total Executive	533,516	533,516	507,532	25,984
Community Development:				
Economic Development	65,769	65,769	53,595	12,174
Planning Department	311,528	311,528	295,817	15,711
Building Department	298,497	298,497	274,542	23,955
Total Community Development	675,794	675,794	623,954	51,840
Finance:				
Assessor	324,956	324,956	305,258	19,698
Collector of Revenue	226,006	226,006	177,908	48,098
Finance Office	382,169	382,169	361,477	20,692
Total Finance	933,131	933,131	844,643	88,488
Recording and Reporting:				
Town Clerk	234,172	234,172	219,129	15,043
Law:				
Town Attorney	175,000	175,000	373,153	(198,153)

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES (CONTINUED)				
General Government (Continued):				
Central Services:				
Town Hall	\$ 303,791	\$ 303,791	\$ 259,279	\$ 44,512
Information Technology	1,152,622	1,215,622	1,184,605	31,017
Media	58,325	58,325	58,325	-
Total Central Services	1,514,738	1,577,738	1,502,209	75,529
Total General Government	4,506,221	4,569,221	4,433,912	135,309
Public Safety:				
Police Protection:				
Police Administration	605,029	605,029	582,780	22,249
Operations	4,637,780	4,437,780	4,341,078	96,702
Support Services	2,088,281	2,108,754	1,980,037	128,717
Community Services	190,394	190,394	185,640	4,754
Total Police Protection	7,521,484	7,341,957	7,089,535	252,422
Fire Protection:				
Fire Marshal	338,239	310,369	284,950	25,419
Volunteer Fire Department	1,011,088	1,011,088	1,011,088	-
Hydrants and Water Lines	954,500	954,500	946,043	8,457
Total Fire Protection	2,303,827	2,275,957	2,242,081	33,876
Emergency Management	21,487	16,487	9,544	6,943
Other Protection:				
Street Lights	355,500	366,577	366,577	-
Total Public Safety	10,202,298	10,000,978	9,707,737	293,241
Public Works:				
Administration:				
Management	-	-	-	-
Engineering:				
Technical Support	511,080	448,080	332,557	115,523
Street Services:				
Highway Maintenance	3,161,444	3,161,444	3,028,602	132,842
Fleet Services	1,046,819	1,046,819	969,482	77,337
Total Street Services	4,208,263	4,208,263	3,998,084	210,179
Public Buildings:				
Building Maintenance	1,964,765	1,966,085	1,803,414	162,671
Pollution Control:				
Refuse and Recycling	2,350,000	2,350,000	2,241,171	108,829
Total Public Works	9,034,108	8,972,428	8,375,226	597,202

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES (CONTINUED)				
Human Services:				
Conservation of Health:				
Environmental Health	\$ 208,757	\$ 208,757	\$ 208,483	\$ 274
Visiting Nurse Community Care	7,500	7,500	-	7,500
Total Conservation of Health	216,257	216,257	208,483	7,774
Human Service Programs:				
Administration	118,066	124,101	116,712	7,389
Youth and Family Services	336,163	336,163	321,387	14,776
Adult and Senior Services	427,350	427,350	415,467	11,883
Senior Bus Service	133,069	127,034	101,525	25,509
Sheltered Workshops	5,000	5,000	5,000	-
Total Human Services Programs	1,019,648	1,019,648	960,091	59,557
Total Human Services	1,235,905	1,235,905	1,168,574	67,331
Culture and Recreation:				
Recreation Administration	2,390,975	2,390,975	2,316,814	74,161
Library	1,211,896	1,211,896	1,189,611	22,285
Total Culture and Recreation	3,602,871	3,602,871	3,506,425	96,446
Education	77,958,844	77,958,844	77,958,844	-
Insurance and Benefits:				
Municipal Insurance:				
Insurance - Casualty	297,969	312,969	307,581	5,388
Pension Contributions:				
Pension	2,564,236	3,314,236	3,277,409	36,827
Social Security	1,238,952	1,177,027	1,156,745	20,282
Total Pension Contributions	3,803,188	4,491,263	4,434,154	57,109
Health and Life Insurance	4,188,665	3,173,612	3,130,990	42,622
Workers' Compensation	389,727	389,727	383,352	6,375
Unemployment Compensation	20,000	52,075	40,665	11,410
Salary Contingency	13,000	27,850	27,834	16
Total Insurance and Benefits	8,712,549	8,447,496	8,324,576	122,920
Other:				
Contingency	108,115	108,115	-	108,115
South Windsor Patriotic Commission	13,500	13,500	13,500	-
Cemeteries	16,000	16,000	16,000	-
Wood Memorial Library	12,500	12,500	12,500	-
Total Other	150,115	150,115	42,000	108,115

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget (Over) Under
EXPENDITURES (CONTINUED)				
Debt Service:				
Principal	\$ 7,079,406	\$ 6,919,406	\$ 6,918,000	\$ 1,406
Interest	3,504,999	3,730,052	3,717,188	12,864
Total Debt Service	<u>10,584,405</u>	<u>10,649,458</u>	<u>10,635,188</u>	<u>14,270</u>
 Total Expenditures	125,987,316	125,587,316	124,152,482	1,434,834
 OTHER FINANCING USES				
Transfer Out	<u>1,979,472</u>	<u>2,379,472</u>	<u>2,379,472</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	<u><u>\$ 127,966,788</u></u>	<u><u>\$ 127,966,788</u></u>	126,531,954	<u><u>\$ 1,434,834</u></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

867,587

Accrued payroll not budgeted

37,543

OPEB revenue from State of Connecticut

255,990

Pension revenue from State of Connecticut

10,878,420

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

\$ 138,571,494

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL – BUDGETARY BASIS
SEWER OPERATING FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Charges for Services	\$ 5,319,797	\$ 5,319,797	\$ 5,298,463	\$ (21,334)
Investment Income	450	450	24	(426)
Miscellaneous	127,500	127,500	126,107	(1,393)
Total Revenues	5,447,747	5,447,747	5,424,594	(23,153)
EXPENDITURES				
Full-Time Salaries	1,097,110	1,110,247	1,110,246	1
Overtime	117,542	105,542	104,762	780
Longevity	700	700	700	-
Employee Benefits	538,558	508,558	506,535	2,023
Office Supplies	2,000	836	658	178
Operating Material	138,950	133,950	133,941	9
Motor Vehicle Supplies	25,213	14,713	14,697	16
Uniforms and Clothing	15,750	8,250	8,159	91
Fleet and Equipment Repair	115,000	127,426	127,425	1
Professional	164,100	186,255	186,254	1
Rental and Leases	33,400	25,500	25,420	80
Utilities	486,000	499,869	499,868	1
Maintenance Contracts	673,300	716,795	716,794	1
Repair and Maintenance Equipment	32,300	32,300	27,825	4,475
Fees and Memberships	2,150	2,150	550	1,600
Recruitment and Training	23,750	13,750	12,676	1,074
Other Purchase Services	326,000	311,000	308,539	2,461
Capital Projects	47,300	37,300	37,000	300
Department Equipment	245,000	248,982	248,981	1
Boards and Commissions - Office Supplies	200	200	108	92
Boards and Commissions - Advertising	900	1,522	1,522	-
Boards and Commissions - Fees and Memberships	1,800	1,178	806	372
Debt Service	349,311	349,311	349,310	1
Total Expenditures	4,436,334	4,436,334	4,422,776	13,558
EXCESS OF REVENUES OVER EXPENDITURES	1,011,413	1,011,413	1,001,818	(9,595)

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL – BUDGETARY BASIS (CONTINUED)
SEWER OPERATING FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 35,000	\$ 35,000	\$ 17,923	\$ (17,077)
Transfers Out	(845,000)	(845,000)	(1,463,948)	(618,948)
Total Other Financing Sources (Uses)	<u>(810,000)</u>	<u>(810,000)</u>	<u>(1,446,025)</u>	<u>(636,025)</u>
 NET CHANGE IN FUND BALANCE	 <u>\$ 201,413</u>	 <u>\$ 201,413</u>	 (444,207)	 <u>\$ (645,620)</u>
 Fund Balance - Beginning of Year			<u>2,009,263</u>	
 FUND BALANCE - END OF YEAR			<u>\$ 1,565,056</u>	
 RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures		
Balance, Budgetary Basis - End of Year	\$ 5,424,594	\$ 4,422,776		
Accrued Payroll Not Budgeted	-	4,212		
Encumbrances Outstanding at Beginning of Year, Liquidated and Cancelled During the Current Year	(1,962)	74,976		
Encumbrances Charged to Budgetary Expenditures During the Current Year	<u>-</u>	<u>(35,091)</u>		
 Balance, GAAP Basis - End of Year	<u>\$ 5,422,632</u>	<u>\$ 4,466,873</u>		

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 344,193	\$ 597,904	\$ 566,952	\$ 532,281	\$ 516,713	\$ 729,114	\$ 674,483	\$ 683,048	\$ 668,222
Interest	2,494,478	2,658,282	2,931,266	3,052,104	3,073,845	2,877,916	2,965,310	3,021,228	3,105,018
Differences Between Expected and Actual Experience	-	1,272,460	234,828	(996,542)	1,521,292	100,366	(393,226)	107,712	1,565,349
Changes of Assumptions	3,396,197	(1,861,513)	3,242,915	1,164,263	(4,354,897)	-	-	1,855,754	1,232,180
Benefit Payments, Including Refunds of Member Contributions	(1,680,365)	(1,591,710)	(1,796,252)	(1,797,376)	(2,050,807)	(2,445,686)	(2,267,474)	(2,591,268)	(2,693,469)
Administrative Expense	(75,832)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	4,478,671	1,075,423	5,179,709	1,954,730	(1,293,854)	1,261,710	979,093	3,076,474	3,877,300
Total Pension Liability - Beginning	31,714,877	36,193,548	37,268,971	42,448,680	44,403,410	43,109,556	44,371,266	45,350,359	48,426,833
Total Pension Liability - Ending	36,193,548	37,268,971	42,448,680	44,403,410	43,109,556	44,371,266	45,350,359	48,426,833	52,304,133
Plan Fiduciary Net Position:									
Contributions - Employer	1,867,793	1,727,470	1,727,470	1,820,733	1,956,477	2,856,477	2,133,752	2,952,021	2,566,211
Contributions - Member	257,692	382,108	345,568	397,315	356,918	340,504	437,496	309,496	223,027
Net Investment Income (Loss)	3,279,002	70,803	(276,685)	2,772,961	2,256,287	911,856	1,230,917	9,682,823	(5,540,223)
Benefit Payments, Including Refunds of Member Contributions	(1,680,365)	(1,591,710)	(1,796,252)	(1,797,376)	(2,050,807)	(2,445,686)	(2,267,474)	(2,591,268)	(2,693,469)
Administrative Expense	(75,832)	(40,061)	(72,564)	(71,177)	(90,956)	(56,241)	(64,036)	(76,646)	(78,033)
Net Change in Plan Fiduciary Net Position	3,648,290	548,610	(72,463)	3,122,456	2,427,919	1,606,910	1,470,655	10,276,426	(5,522,487)
Plan Fiduciary Net Position - Beginning	18,906,056	22,654,346	23,202,956	23,130,493	26,252,949	28,680,868	30,287,778	31,758,433	42,034,859
Plan Fiduciary Net Position - Ending	22,554,346	23,202,956	23,130,493	26,252,949	28,680,868	30,287,778	31,758,433	42,034,859	36,512,372
Net Pension Liability - Ending	<u>\$ 13,639,202</u>	<u>\$ 14,066,015</u>	<u>\$ 19,318,187</u>	<u>\$ 18,150,461</u>	<u>\$ 14,428,688</u>	<u>\$ 14,083,488</u>	<u>\$ 13,591,926</u>	<u>\$ 6,391,974</u>	<u>\$ 15,791,761</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.32%	62.26%	54.49%	59.12%	66.53%	68.26%	70.03%	86.80%	69.81%
Covered Payroll	\$ 4,749,846	\$ 4,716,701	\$ 4,716,701	\$ 4,540,844	\$ 4,177,838	\$ 5,634,675	\$ 5,548,107	\$ 5,078,360	\$ 5,089,679
Net Pension Liability as a Percentage of Covered Payroll	287.15%	298.22%	409.57%	399.72%	345.36%	249.94%	244.98%	125.87%	310.27%

Notes to Schedule:

Note: This schedule is intended to show information for 10 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 NINE FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability:									
Service Cost	\$ 225,029	\$ 359,500	\$ 391,848	\$ 378,717	\$ 423,746	\$ 466,647	\$ 437,107	\$ 428,841	\$ 451,020
Interest	920,994	986,463	1,108,213	1,167,003	1,174,269	1,105,965	1,152,394	1,224,594	1,268,936
Differences Between Expected and Actual Experience	543,345	460,218	28,823	(566,948)	67,085	229,078	608,927	(90,391)	246,717
Changes of Assumptions	-	-	1,346,357	407,690	(1,226,220)	-	-	834,870	476,623
Benefit Payments, Including Refunds of Member Contributions	(655,604)	(599,078)	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)	(1,015,549)	(1,064,897)
Administrative Expense	(43,468)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	990,296	1,207,103	2,232,672	675,762	(357,069)	850,771	976,297	1,382,365	1,378,399
Total Pension Liability - Beginning	11,636,936	12,627,232	13,834,335	16,067,007	16,742,769	16,385,700	17,236,471	18,212,768	19,595,133
Total Pension Liability - Ending	12,627,232	13,834,335	16,067,007	16,742,769	16,385,700	17,236,471	18,212,768	19,595,133	20,973,532
Plan Fiduciary Net Position:									
Contributions - Employer	922,555	268,665	535,965	549,460	603,433	530,051	1,424,037	570,615	624,728
Contributions - Member	197,927	196,719	203,726	190,579	190,968	181,837	172,844	165,128	154,977
Net Investment Income (Loss)	1,681,148	30,643	(126,326)	1,390,852	1,093,561	495,218	600,459	4,504,993	(2,559,909)
Benefit Payments, Including Refunds of Member Contributions	(655,604)	(599,078)	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)	(1,015,549)	(1,064,897)
Administrative Expense	(43,468)	(25,907)	(42,202)	(43,369)	(49,869)	(40,352)	(45,216)	(44,552)	(54,257)
Net Change In Plan Fiduciary Net Position	2,102,558	(128,958)	(71,406)	1,376,822	1,042,144	215,835	929,993	4,180,635	(2,899,358)
Plan Fiduciary Net Position - Beginning	10,016,519	12,119,077	11,990,119	11,918,713	13,295,535	14,337,679	14,553,514	15,483,507	19,664,142
Plan Fiduciary Net Position - Ending	12,119,077	11,990,119	11,918,713	13,295,535	14,337,679	14,553,514	15,483,507	19,664,142	16,764,784
Net Pension Liability (Asset) - Ending	<u>\$ 508,155</u>	<u>\$ 1,844,216</u>	<u>\$ 4,148,294</u>	<u>\$ 3,447,234</u>	<u>\$ 2,048,021</u>	<u>\$ 2,682,957</u>	<u>\$ 2,729,261</u>	<u>\$ (69,009)</u>	<u>\$ 4,208,748</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.98%	86.67%	74.18%	79.41%	87.50%	84.43%	85.01%	100.35%	79.93%
Covered Payroll	\$ 3,085,477	\$ 3,122,271	\$ 3,122,271	\$ 3,274,814	\$ 3,133,452	\$ 3,897,575	\$ 4,003,396	\$ 3,779,805	\$ 3,705,922
Net Pension Liability as a Percentage of Covered Payroll	16.47%	59.07%	132.86%	105.27%	65.36%	68.84%	68.17%	-1.83%	113.57%

Notes to Schedule:

Note: This schedule is intended to show information for 10 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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 1,697,994	\$ 1,686,734	\$ 1,727,470	\$ 1,727,470	\$ 1,820,733	\$ 1,956,477	\$ 1,714,348	\$ 1,733,752	\$ 1,602,021	\$ 1,766,211
Contributions in Relation to the Actuarially Determined Contribution	<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>	<u>1,956,477</u>	<u>2,856,477</u>	<u>2,133,752</u>	<u>2,952,021</u>	<u>2,566,211</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (181,059)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,142,129)</u>	<u>\$ (400,000)</u>	<u>\$ (1,350,000)</u>	<u>\$ (800,000)</u>
Covered Payroll	\$ 5,352,711	\$ 4,749,846	\$ 4,716,701	\$ 4,716,701	\$ 4,540,844	\$ 4,177,838	\$ 5,634,675	\$ 5,548,107	\$ 5,078,360	\$ 5,089,679
Contributions as a Percentage of Covered Payroll	31.72%	39.32%	36.62%	36.62%	40.10%	46.83%	50.69%	38.46%	58.13%	50.42%

Notes to Schedule:

Valuation Date July 1, 2021

Measurement Date June 30, 2022

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 Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Non-Asymptotic
Inflation	2.5%
Salary Increases Including Inflation	3%
Turnover	Graded Rates by Age and Group
Investment Rate of Return	6.25%
Retirement Age	Graded Rates by Age and Group
Mortality	PubS-2010 (Police) and PubG-2010 (All Others) Mortality Table with generational projection per the MP-2019 ultimate scale.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 443,288	\$ 450,378	\$ 535,965	\$ 535,965	\$ 549,460	\$ 603,433	\$ 530,051	\$ 557,209	\$ 570,615	\$ 624,728
Contributions in Relation to the Actuarially Determined Contribution	518,288	922,555	268,665	535,965	549,460	603,433	530,051	1,424,037	570,615	624,728
Contribution Deficiency (Excess)	<u>\$ (75,000)</u>	<u>\$ (472,177)</u>	<u>\$ 267,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (866,828)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,012,321	\$ 3,085,477	\$ 3,122,271	\$ 3,122,271	\$ 3,274,814	\$ 3,133,452	\$ 3,897,575	\$ 4,003,396	\$ 3,779,805	\$ 3,705,922
Contributions as a Percentage of Covered Payroll	17.21%	29.90%	8.60%	17.17%	16.78%	19.26%	13.60%	35.57%	15.10%	16.86%

Notes to Schedule:

Valuation Date July 1, 2021

Measurement Date June 30, 2022

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 Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Non-Asymptotic
Inflation	2.5%
Salary Increases Including Inflation	3%
Turnover	Graded Rates by Age and Group
Investment Rate of Return	6.25%
Retirement Age	Graded Rates by Age
Mortality	PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Money-Weighted Rate of Return, Net of Investment Expense:									
Town Plan	16.37%	0.30%	-1.15%	11.54%	8.27%	3.09%	3.97%	29.94%	-13.05%
Board of Education Plan	16.90%	0.26%	-1.07%	11.64%	8.31%	3.51%	3.93%	29.79%	-13.29%

Note: This schedule is intended to show information for 10 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 EIGHT FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022
Town's Proportion of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Proportionate Share of the Net Pension Liability	-	-	-	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability Associated with the Town	84,668,946	91,603,357	118,505,418	112,326,595	109,538,605	142,062,712	164,034,106	129,916,402
Total	<u>\$ 84,668,946</u>	<u>\$ 91,603,357</u>	<u>\$ 118,505,418</u>	<u>\$ 112,326,595</u>	<u>\$ 109,538,605</u>	<u>\$ 142,062,712</u>	<u>\$ 164,034,106</u>	<u>\$ 129,916,402</u>
Town's Covered Payroll	\$ 54,350,173	\$ 56,460,373	\$ 57,676,185	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130	\$ 62,058,431	\$ 64,043,289
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%	49.24%	60.77%

Notes to Schedule:

Changes in Benefit Terms	None
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level percent of pay, closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	30 Years
Asset Valuation Method	4-Year Smoothed Fair Value
Inflation	2.50%
Salary Increase	3.25%-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability:						
Service Cost	\$ 300,153	\$ 241,568	\$ 248,909	\$ 323,084	\$ 332,611	\$ 440,843
Interest	752,807	781,604	624,382	653,559	839,734	878,068
Differences Between Expected and Actual Experience	-	(2,610,995)	-	2,328,437	-	2,768,154
Changes of Assumptions	-	215,571	-	64,347	-	(2,588,765)
Benefit Payments, Including Refunds of Member Contributions	(566,113)	(600,465)	(499,040)	(531,909)	(712,671)	(712,671)
Net Change In Total OPEB Liability	486,847	(1,972,717)	374,251	2,837,518	459,674	785,629
Total OPEB Liability - Beginning	10,732,510	11,219,357	9,246,640	9,620,891	12,458,409	12,918,083
Total OPEB Liability - Ending	11,219,357	9,246,640	9,620,891	12,458,409	12,918,083	13,703,712
Plan Fiduciary Net Position:						
Contributions - Employer	880,974	915,326	755,791	763,348	1,055,879	1,055,879
Net Investment Income	11,450	27,212	79,090	122,082	1,054,505	(657,442)
Benefit Payments, Including Refunds of Member Contributions	(566,113)	(600,465)	(499,040)	(531,909)	(712,671)	(712,671)
Administrative Expense	(1,125)	(26,500)	(1,717)	(36,141)	(2,523)	(2,583)
Net Change In Plan Fiduciary Net Position	325,186	315,573	334,124	317,380	1,395,190	(316,817)
Plan Fiduciary Net Position - Beginning	1,741,352	2,066,538	2,382,111	2,716,235	3,033,615	4,428,805
Plan Fiduciary Net Position - Ending	2,066,538	2,382,111	2,716,235	3,033,615	4,428,805	4,111,988
Net OPEB Liability - Ending	<u>\$ 9,152,819</u>	<u>\$ 6,864,529</u>	<u>\$ 6,904,656</u>	<u>\$ 9,424,794</u>	<u>\$ 8,489,278</u>	<u>\$ 9,591,724</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.42%	25.76%	28.23%	24.35%	34.28%	30.01%
Covered Employee Payroll	\$ 53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114	\$58,699,042	\$ 58,699,042
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.08%	12.81%	12.87%	17.57%	14.46%	16.34%

Note: This schedule is intended to show information for 10 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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 864,000	\$ 864,000	\$ 1,007,276	\$ 1,007,276	\$ 880,974	\$ 880,974	\$ 755,791	\$ 755,791	\$ 1,055,879	\$ 1,055,879
Contributions in Relation to the Actuarially Determined Contribution	864,000	927,000	1,007,276	1,025,696	880,974	915,326	755,791	763,348	1,055,879	1,055,879
Contribution Deficiency (Excess)	\$ -	\$ (63,000)	\$ -	\$ (18,420)	\$ -	\$ (34,352)	\$ -	\$ (7,557)	\$ -	\$ -
Covered Employee Payroll	N/A	N/A	\$ 51,315,810	\$ 51,315,810	\$ 53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114	\$ 58,699,042	\$ 58,699,042
Contributions as a Percentage of Covered Employee Payroll	N/A	N/A	1.96%	2.00%	1.64%	1.71%	1.41%	1.42%	1.80%	1.80%

Notes to Schedule:

Valuation Date July 1, 2021
Measurement date June 30, 2022
Actuarially determined contribution rates are collected 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 Normal
Inflation	2.50%
Medical Trend Rate	Varies By Year
Salary Increases Including Inflation	Graded by Age for Teachers and Administrators; 3.00% for All Others.

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.56%	1.15%	3.00%	4.19%	31.24%	-13.78%

Note: This schedule is intended to show information for 10 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 OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST FIVE FISCAL YEARS

	2018	2019	2020	2021	2022
Town's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	28,911,595	21,897,445	22,155,482	24,465,693	14,154,154
Total	<u>\$ 28,911,595</u>	<u>\$ 21,897,445</u>	<u>\$ 22,155,482</u>	<u>\$ 24,465,693</u>	<u>\$ 14,154,154</u>
Town's Covered Payroll	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130	\$ 62,058,431	\$ 64,043,289
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.79%	1.49%	2.08%	2.50%	6.11%

Notes to Schedule:

Changes in Benefit Terms	None
Changes of Assumptions	Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2021 was updated to equal the Municipal Bond Index Rate as of June 30, 2021; Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience based on scheduled premium increases through calendar year 2024
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll Over an Open Period
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, Net of Investment Related Expense Including Price Inflation
Price Inflation	2.75%

Notes:

- This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date.

SUPPLEMENTAL COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and Cash Equivalents	\$ 73,869,366	\$ 54,328,360
Property Taxes Receivable (Net of Allowance of \$277,820 in 2022 and \$409,842 in 2021)	930,092	1,372,644
Intergovernmental Receivables	-	252,748
Other Accounts Receivable	622,377	1,232,105
Due from Other Funds	44,390	41,468
Prepaid Items	<u>41,819</u>	<u>79,619</u>
Total Assets	<u><u>\$ 75,508,044</u></u>	<u><u>\$ 57,306,944</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 5,820,353	\$ 4,298,050
Due to Other Funds	<u>25,087,036</u>	<u>13,262,244</u>
Total Liabilities	30,907,389	17,560,294
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	1,129,993	1,493,854
Unavailable Revenue Grant Revenue	-	252,748
Advance Property Tax Collections	<u>4,275,598</u>	<u>3,026,734</u>
Total Deferred Inflows of Resources	5,405,591	4,773,336
FUND BALANCE		
Nonspendable	41,819	79,619
Restricted	1,643,469	1,409,700
Committed	3,200,000	3,200,000
Assigned	1,122,761	2,131,191
Unassigned	<u>33,187,015</u>	<u>28,152,804</u>
Total Fund Balance	<u><u>39,195,064</u></u>	<u><u>34,973,314</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 75,508,044</u></u>	<u><u>\$ 57,306,944</u></u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED, AND OUTSTANDING
YEAR ENDED JUNE 30, 2022

Grand List	Uncollected Taxes July 1, 2021	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2022
		Additions	Deductions			Taxes	Interest	Total	
2020	\$ 112,949,043	\$ 220,952	\$ 1,170,343	\$ -	\$ 111,999,652	\$ 111,444,340	\$ 294,609	\$ 111,738,949	\$ 555,312
2019	826,401	485,840	39,637	-	1,272,604	851,903	200,839	1,052,742	420,701
2018	311,695	496,967	35,448	-	773,214	676,989	289,263	966,252	96,225
2017	227,794	469,033	39,181	-	657,646	604,394	369,365	973,759	53,252
2016	116,437	29,850	22,179	-	124,108	98,835	73,136	171,971	25,273
2015	58,760	2,076	16,257	-	44,579	27,394	30,375	57,769	17,185
2014	32,548	-	5,631	-	26,917	22,124	27,153	49,277	4,793
2013	28,716	-	3,878	-	24,838	20,397	26,681	47,078	4,441
2012	31,183	-	3,811	-	27,372	20,047	29,694	49,741	7,325
2011	28,815	-	3,089	-	25,726	20,834	33,094	53,928	4,892
2010	31,225	-	2,680	-	28,545	19,639	37,771	57,410	8,906
2009	24,308	-	948	-	23,360	18,559	38,238	56,797	4,801
2008	20,809	-	931	-	19,878	17,766	33,038	50,804	2,112
2007	20,009	-	-	-	20,009	18,682	43,854	62,536	1,327
2006	13,435	-	-	-	13,435	12,068	30,204	42,272	1,367
2005	10,351	-	4,990	-	5,361	5,361	14,418	19,779	-
Total	<u>\$ 114,731,529</u>	<u>\$ 1,704,718</u>	<u>\$ 1,349,003</u>	<u>\$ -</u>	<u>\$ 115,087,244</u>	<u>\$ 113,879,332</u>	<u>\$ 1,571,732</u>	115,451,064	<u>\$ 1,207,912</u>

Property Taxes Receivable Considered Available:

June 30, 2021

(542,249)

June 30, 2022

161,636

Total Property Tax Revenue

\$ 115,070,451

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.

Small Cities – To account for monies for the small cities grant program.

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.

Scholarship Fund – To account for monies in a reserve for student scholarships.

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

Student Activities Fund – To account for student activities and clubs within the school district.

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.

SPECIAL REVENUE FUNDS (CONTINUED)

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

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.

Health Grants Fund – To account for monies for health-related programs.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds							
	Town Aid Road	Small Cities	Animal Control	Town Hall Grants	Public Works Funds	Police Funds	Fees in Lieu of Open Space	Library
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ 1,372	\$ -	\$ 98,895
Investments	-	-	-	-	-	-	-	162,999
Receivables:								
Accounts Receivable	-	-	-	89	1,332	-	-	-
Grants and Contracts Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	544,541	-	92,464	198,895	82,854	102,831	66,221	-
Other Assets	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 544,541</u>	<u>\$ 7</u>	<u>\$ 92,464</u>	<u>\$ 198,984</u>	<u>\$ 84,186</u>	<u>\$ 104,203</u>	<u>\$ 66,221</u>	<u>\$ 261,894</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 15,368	\$ -	\$ 11,042	\$ 1,532	\$ 5,865	\$ 2,071	\$ -	\$ -
Due to Other Funds	-	3	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	12,500	-	-
Total Liabilities	<u>15,368</u>	<u>3</u>	<u>11,042</u>	<u>1,532</u>	<u>5,865</u>	<u>14,571</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	529,173	4	-	197,452	78,321	89,632	-	-
Committed	-	-	81,422	-	-	-	66,221	261,894
Total Fund Balances	<u>529,173</u>	<u>4</u>	<u>81,422</u>	<u>197,452</u>	<u>78,321</u>	<u>89,632</u>	<u>66,221</u>	<u>261,894</u>
Total Liabilities and Fund Balances	<u>\$ 544,541</u>	<u>\$ 7</u>	<u>\$ 92,464</u>	<u>\$ 198,984</u>	<u>\$ 84,186</u>	<u>\$ 104,203</u>	<u>\$ 66,221</u>	<u>\$ 261,894</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds							
	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodations	Scholarship Fund	High School Athletic Association	Student Activities Fund
ASSETS								
Cash and Cash Equivalents	\$ 62,539	\$ 70,959	\$ 149,475	\$ 989,771	\$ 78,970	\$ 186,963	\$ -	\$ 471,643
Investments	-	-	-	-	-	-	-	-
Receivables:								
Accounts Receivable	-	-	-	-	27,643	-	-	46,628
Grants and Contracts Receivable	-	-	30,158	507,317	-	-	-	-
Due from Other Funds	855,988	-	312,139	-	-	-	6,732	-
Other Assets	10,697	-	1,649	31,416	-	-	-	-
Total Assets	<u>\$ 929,224</u>	<u>\$ 70,959</u>	<u>\$ 493,421</u>	<u>\$ 1,528,504</u>	<u>\$ 106,613</u>	<u>\$ 186,963</u>	<u>\$ 6,732</u>	<u>\$ 518,271</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 101,532	\$ 60	\$ 81,079	\$ 163,368	\$ 85,482	\$ -	\$ 50	\$ 18,847
Due to Other Funds	-	30,807	-	13,580	-	-	-	-
Unearned Revenue	279,210	-	2,400	92,011	2,191	-	-	-
Total Liabilities	380,742	30,867	83,479	268,959	87,673	-	50	18,847
FUND BALANCES								
Nonspendable	10,697	-	1,649	31,416	-	-	-	-
Restricted	-	-	408,293	1,228,129	-	186,963	6,682	499,424
Committed	537,785	40,092	-	-	18,940	-	-	-
Total Fund Balances	<u>548,482</u>	<u>40,092</u>	<u>409,942</u>	<u>1,259,545</u>	<u>18,940</u>	<u>186,963</u>	<u>6,682</u>	<u>499,424</u>
Total Liabilities and Fund Balances	<u>\$ 929,224</u>	<u>\$ 70,959</u>	<u>\$ 493,421</u>	<u>\$ 1,528,504</u>	<u>\$ 106,613</u>	<u>\$ 186,963</u>	<u>\$ 6,732</u>	<u>\$ 518,271</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Human Services Fund	Community Use of Buildings	Fire Marshall Fund	Regional Animal Shelter	IT Reserve Fund	Health Grants Fund	
ASSETS							
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ 2,110,794
Investments	-	-	-	-	-	-	162,999
Receivables:							
Accounts Receivable	-	2,715	-	-	-	-	78,407
Grants and Contracts Receivable	13,806	-	-	-	-	-	551,281
Due from Other Funds	582,731	361,329	83	94,337	345,209	17,727	3,664,081
Other Assets	-	-	-	-	-	-	43,762
Total Assets	\$ 596,537	\$ 364,044	\$ 83	\$ 94,537	\$ 345,209	\$ 17,727	\$ 6,611,324
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 7,273	\$ 28,103	\$ -	\$ 847	\$ -	\$ -	\$ 522,519
Due to Other Funds	-	-	-	-	-	-	44,390
Unearned Revenue	-	-	-	-	24,300	4,099	416,711
Total Liabilities	7,273	28,103	-	847	24,300	4,099	983,620
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	43,762
Restricted	589,264	-	83	93,690	-	13,628	3,920,738
Committed	-	335,941	-	-	320,909	-	1,663,204
Total Fund Balances	589,264	335,941	83	93,690	320,909	13,628	5,627,704
Total Liabilities and Fund Balances	\$ 596,537	\$ 364,044	\$ 83	\$ 94,537	\$ 345,209	\$ 17,727	\$ 6,611,324

TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds							
	Town Aid Road	Small Cities	Animal Control	Town Hall Grants	Public Works Funds	Police	Fees in Lieu of Open Space	Library
REVENUES								
Intergovernmental	\$ 385,224	\$ -	\$ -	\$ -	\$ -	\$ 15,020	\$ -	\$ 24,213
Charges for Services and Assessments	-	-	20,044	54,543	-	60,422	9,167	8,332
Investment Earnings	-	-	-	-	-	1	-	(30,434)
Miscellaneous	-	-	-	13,211	35,027	-	-	34,712
Total Revenues	<u>385,224</u>	<u>-</u>	<u>20,044</u>	<u>67,754</u>	<u>35,027</u>	<u>75,443</u>	<u>9,167</u>	<u>36,823</u>
EXPENDITURES								
Current:								
General Government	-	-	-	49,620	-	-	-	-
Public Safety	-	-	11,087	-	-	62,647	-	-
Public Works	99,629	-	-	6,843	101,744	-	-	-
Human Services	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	38,143
Education	-	-	-	-	-	-	-	-
Total Expenditures	<u>99,629</u>	<u>-</u>	<u>11,087</u>	<u>56,463</u>	<u>101,744</u>	<u>62,647</u>	<u>-</u>	<u>38,143</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	285,595	-	8,957	11,291	(66,717)	12,796	9,167	(1,320)
OTHER FINANCING USES								
Transfer Out	-	-	-	-	-	-	-	(8,255)
NET CHANGE IN FUND BALANCE	285,595	-	8,957	11,291	(66,717)	12,796	9,167	(9,575)
Fund Balances - Beginning of Year	243,578	4	72,465	186,161	145,038	76,836	57,054	271,469
FUND BALANCES - END OF YEAR	<u>\$ 529,173</u>	<u>\$ 4</u>	<u>\$ 81,422</u>	<u>\$ 197,452</u>	<u>\$ 78,321</u>	<u>\$ 89,632</u>	<u>\$ 66,221</u>	<u>\$ 261,894</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds							
	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodations	Scholarship Fund	High School Athletic Association	Student Activities Fund
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 4,234,737	\$ 2,822,442	\$ -	\$ -	\$ -	\$ -
Charges for Services and Assessments	1,986,451	93,346	-	245,049	782,407	-	25,077	692,595
Investment Earnings	61	8	-	245	-	214	51	48
Miscellaneous	60,000	-	-	-	-	-	-	-
Total Revenues	2,046,512	93,354	4,234,737	3,067,736	782,407	214	25,128	692,643
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-
Culture and Recreation	1,920,494	-	-	-	-	-	-	-
Education	-	93,969	4,317,793	2,122,771	771,333	57,000	23,135	678,744
Total Expenditures	1,920,494	93,969	4,317,793	2,122,771	771,333	57,000	23,135	678,744
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126,018	(615)	(83,056)	944,965	11,074	(56,786)	1,993	13,899
OTHER FINANCING USES								
Transfer Out	(17,923)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	108,095	(615)	(83,056)	944,965	11,074	(56,786)	1,993	13,899
Fund Balances - Beginning of Year	440,387	40,707	492,998	314,580	7,866	243,749	4,689	485,525
FUND BALANCES - END OF YEAR	<u>\$ 548,482</u>	<u>\$ 40,092</u>	<u>\$ 409,942</u>	<u>\$ 1,259,545</u>	<u>\$ 18,940</u>	<u>\$ 186,963</u>	<u>\$ 6,682</u>	<u>\$ 499,424</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Human Services Fund	Community Use of Buildings	Fire Marshall Fund	Regional Animal Shelter	IT Reserve Fund	Health Grants Fund	
REVENUES							
Intergovernmental	\$ 14,993	\$ -	\$ 2,300	\$ -	\$ -	\$ 81,611	\$ 7,580,540
Charges for Services and Assessments	165,181	61,278	-	-	-	-	4,203,892
Investment Earnings	-	-	-	-	-	-	(29,806)
Miscellaneous	130,521	-	-	68,020	148,383	-	489,874
Total Revenues	310,695	61,278	2,300	68,020	148,383	81,611	12,244,500
EXPENDITURES							
Current:							
General Government	-	-	-	-	154,212	-	203,832
Public Safety	-	-	2,300	38,122	-	-	114,156
Public Works	-	-	-	-	-	-	208,216
Human Services	195,806	-	-	-	-	69,894	265,700
Culture and Recreation	-	-	-	-	-	-	1,958,637
Education	-	40,253	-	-	-	-	8,104,998
Total Expenditures	195,806	40,253	2,300	38,122	154,212	69,894	10,855,539
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	114,889	21,025	-	29,898	(5,829)	11,717	1,388,961
OTHER FINANCING USES							
Transfer Out	-	-	-	-	-	-	(26,178)
NET CHANGE IN FUND BALANCE	114,889	21,025	-	29,898	(5,829)	11,717	1,362,783
Fund Balances - Beginning of Year	474,375	314,916	83	63,792	326,738	1,911	4,264,921
FUND BALANCES - END OF YEAR	<u>\$ 589,264</u>	<u>\$ 335,941</u>	<u>\$ 83</u>	<u>\$ 93,690</u>	<u>\$ 320,909</u>	<u>\$ 13,628</u>	<u>\$ 5,627,704</u>

TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL – BUDGETARY BASIS
RECREATION FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
REVENUES				
Charges for Services:				
Day Camp	\$ 476,907	\$ 476,907	\$ 417,135	\$ (59,772)
Veterans' Memorial Park	373,621	373,621	277,456	(96,165)
4Th R Revenue	1,004,500	1,004,500	620,057	(384,443)
Outdoor	62,370	62,370	9,068	(53,302)
Indoor	157,883	157,883	90,533	(67,350)
Social and Cultural	98,025	98,025	25,633	(72,392)
Recreation Facilities	89,035	89,035	60,209	(28,826)
Contracted Recreation Programs	322,595	322,595	393,544	70,949
Preschool	173,480	173,480	92,816	(80,664)
Investment Income	-	-	-	-
Miscellaneous	-	-	88,849	88,849
Total Revenues	2,758,416	2,758,416	2,075,300	(683,116)
EXPENDITURES				
Current:				
Day Camp	443,649	443,649	434,322	9,327
4Th R Personal Services	1,001,275	1,001,275	565,397	435,878
Veterans' Memorial Park	362,839	362,839	258,293	104,546
Outdoor	70,050	70,050	15,348	54,702
Indoor	164,454	164,454	73,779	90,675
Social and Cultural	144,920	144,920	49,764	95,156
Recreation Facilities	43,016	43,016	28,078	14,938
Contracted Recreation Programs	310,859	310,859	238,881	71,978
Preschool	171,444	171,444	74,415	97,029
Total Expenditures	2,712,506	2,712,506	1,738,277	974,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,910	45,910	337,023	291,113
OTHER FINANCING SOURCES (USES)				
Transfers Out	25,000	25,000	(17,923)	(42,923)
Utilization of Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	25,000	25,000	(17,923)	(42,923)
NET CHANGE IN FUND BALANCE	<u>\$ 70,910</u>	<u>\$ 70,910</u>	319,100	<u>\$ 248,190</u>
Fund Balance - Beginning of Year			265,323	
FUND BALANCE - END OF YEAR			<u>\$ 584,423</u>	
RECONCILIATION TO GAAP BASIS				
	Revenues	Expenditures		
Balance, Budgetary Basis - End of Year	\$ 2,075,300	\$ 1,738,277		
Accrued Payroll Not Budgeted	-	14,801		
Encumbrances Outstanding at Beginning of Year, Liquidated and Cancelled During the Current Year	(28,788)	175,335		
Encumbrances Charged to Budgetary Expenditures During the Current Year	-	(7,919)		
Balance, GAAP Basis - End of Year	<u>\$ 2,046,512</u>	<u>\$ 1,920,494</u>		

FIDUCIARY FUNDS

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 Postemployment Benefit Trust Fund

To account for the activities for both Town and Board of Education for other postemployment benefits (e.g., health insurance, life insurance) which accumulate resources for other postemployment benefit payments to qualified employees.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2022**

	Pension Trust Funds		Other Post Employment Benefit Trust	
	Town Plan	Board of Education Plan	Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 40,442	\$ 277,200	\$ 14,963	\$ 332,605
Investments:				
Mutual Funds	36,471,930	16,292,856	4,097,025	56,861,811
Accounts Receivable	-	194,728	-	194,728
Total Assets	<u>36,512,372</u>	<u>16,764,784</u>	<u>4,111,988</u>	<u>57,389,144</u>
NET POSITION				
Restricted for Pension Benefits and Other Purposes	<u>\$ 36,512,372</u>	<u>\$ 16,764,784</u>	<u>\$ 4,111,988</u>	<u>\$ 57,389,144</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
YEAR ENDED JUNE 30, 2022**

	Pension Trust Funds		Other Post Employment Benefit Trust	
	Town Plan	Board of Education Plan	Fund	Total
ADDITIONS				
Contributions:				
Employer	\$ 2,566,211	\$ 624,728	\$ 1,055,879	\$ 4,246,818
Employee	223,027	154,977	-	378,004
Total Contributions	2,789,238	779,705	1,055,879	4,624,822
Investment Income:				
Net Change in Fair Value Investments	(5,540,223)	(2,559,909)	(657,442)	(8,757,574)
Total Additions	(2,750,985)	(1,780,204)	398,437	(4,132,752)
DEDUCTIONS				
Benefits	2,693,469	1,064,897	712,671	4,471,037
Administration	78,033	54,257	2,583	134,873
Total Deductions	2,771,502	1,119,154	715,254	4,605,910
CHANGES IN NET POSITION	(5,522,487)	(2,899,358)	(316,817)	(8,738,662)
Net Position - Beginning of Year	42,034,859	19,664,142	4,428,805	66,127,806
NET POSITION - END OF YEAR	<u>\$ 36,512,372</u>	<u>\$ 16,764,784</u>	<u>\$ 4,111,988</u>	<u>\$ 57,389,144</u>

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

This part of the Town of South Windsor, Connecticut's Annual Comprehensive 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.

Contents	Page
<i>Financial Trends</i> – These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	116-120
<i>Revenue Capacity</i> – These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes.	121--123
<i>Debt Capacity</i> – 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.	124-127
<i>Demographic and Economic Information</i> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	128-129
<i>Operating Information</i> – 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.	130-132

TABLE 1

TOWN OF SOUTH WINDSOR, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 117,808,001	\$ 603,648,675	\$ 122,049,902	\$ 121,725,879	\$ 133,891,837	\$ 149,770,014	\$ 148,370,264	\$ 177,794,273	\$ 181,142,167	\$ 175,877,622
Restricted	-	-	-	-	-	-	-	-	4,122,315	5,564,207
Unrestricted	15,450,828	71,828,521	3,142,130 *	3,572,905 *	6,257,477	(6,915,481)	9,800,292	1,801,965	14,945,260	27,591,415
Total Governmental Activities										
Net Position	<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>	<u>\$ 142,854,533</u>	<u>\$ 158,170,556</u>	<u>\$ 179,596,238</u>	<u>\$ 200,209,742</u>	<u>\$ 209,033,244</u>

* Restated for GASB 68

TABLE 2

**TOWN OF SOUTH WINDSOR, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Governmental Activities:										
General Government	\$ 4,834,624	\$ 4,744,705	\$ 4,680,398	\$ 9,644,225	\$ 7,534,628	\$ 5,454,460	\$ 5,578,183	\$ 6,241,142	\$ 5,268,652	\$ 6,913,025
Public Safety	9,701,599	10,466,567	10,116,105	12,259,882	11,059,584	8,991,281	11,236,537	11,561,692	11,919,633	14,579,379
Public Works	20,810,758	17,311,069	18,662,827	15,648,511	15,615,857	16,594,152	17,646,682	21,897,888	18,883,042	18,653,257
Human Services	1,448,173	1,496,189	1,469,110	1,516,678	1,805,965	1,842,312	1,930,710	1,756,175	1,567,870	1,943,660
Culture and Recreation	5,127,771	5,170,258	5,799,240	7,649,148	5,922,105	6,558,564	6,385,948	5,998,664	5,890,752	6,330,002
Education	79,644,193	82,765,300	85,125,614	83,800,549	96,033,281	93,978,140	84,508,649	97,695,610	109,108,696	98,336,368
Debit Service Interest	148,247	1,608,802	1,508,063	1,619,954	1,786,532	2,020,850	2,460,980	1,943,338	1,275,032	2,823,051
Total Governmental Activities Expenses	121,715,365	123,562,890	127,361,357	132,138,947	139,757,952	135,439,759	129,747,689	147,094,509	153,913,677	149,578,742
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	1,521,538	1,221,156	1,348,396	2,182,425	1,623,465	2,358,541	2,304,560	2,538,788	3,035,551	2,513,351
Public Safety	116,885	94,031	146,221	187,007	151,502	315,661	211,142	351,591	360,550	254,201
Public Works	4,379,717	4,285,579	4,438,121	4,501,771	5,606,794	5,170,610	5,393,886	5,821,633	5,724,964	5,501,451
Human Services	86,393	87,797	100,976	208,544	354,339	313,672	481,457	211,860	92,997	196,731
Culture and Recreation	1,766,873	1,635,322	2,925,417	2,519,572	2,570,164	2,311,662	2,639,450	1,747,937	1,009,269	1,928,873
Education	2,622,886	2,406,020	2,374,627	2,256,463	2,272,817	2,506,772	1,811,356	1,520,250	1,243,934	1,796,148
Operating Grants and Contributions:										
General Government	259,305	222,531	481,542	287,925	207,271	213,749	247,800	489,405	1,565,303	307,593
Public Safety	115,056	82,222	60,481	198,884	51,178	77,866	127,748	50,249	28,466	615,761
Public Works	496,348	404,160	395,417	388,764	446,383	414,628	428,182	389,533	654,103	325,846
Human Services	81,856	108,808	102,950	106,027	117,242	109,254	109,308	131,349	112,814	154,452
Culture and Recreation	41,304	36,038	43,098	49,800	47,555	40,411	37,784	36,241	71,133	58,925
Education	22,502,841	24,771,275	23,165,519	24,209,031	29,522,318	29,042,520	20,644,657	31,072,260	40,828,019	26,321,708
Interest On Long-Term Debt	-	-	-	-	-	-	-	-	78,977	217,840
Capital Grants and Contributions:										
General Government	-	170,906	75,344	71,433	1,946,226	73,676	19,038	7,300	199,519	157,501
Public Safety	149,528	-	-	-	-	-	-	-	-	-
Public Works	7,525	759,237	310,314	1,398,722	11,130,720	3,653,882	2,689,236	12,570,710	6,384,134	1,340,499
Human Services	1,786,113	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	380,897	590,440	520,752	-	-
Total Governmental Activities Revenues	35,934,168	36,285,082	35,968,423	38,566,368	56,047,974	46,983,801	37,736,044	57,459,858	61,389,733	41,690,880
Total Governmental Activities Net Expense	(85,781,197)	(87,277,808)	(91,392,934)	(93,572,579)	(83,709,978)	(88,455,958)	(92,011,645)	(89,634,651)	(92,523,944)	(107,887,862)

**TABLE 2
(CONTINUED)**

**TOWN OF SOUTH WINDSOR, CONNECTICUT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL REVENUES AND OTHER CHANGES										
Changes in Net Position:										
Governmental Activities:										
Property Taxes	\$ 81,643,855	\$ 87,371,201	\$ 90,037,532	\$ 91,922,703	\$ 96,106,885	\$ 98,298,151	\$ 104,691,701	\$ 108,137,590	\$ 110,588,208	\$ 114,017,844
Grants and Contributions Not Restricted to Specific Programs	1,515,179	1,929,166	1,532,895	1,603,494	2,146,206	1,588,901	1,588,087	2,026,181	2,025,279	2,436,064
Unrestricted Investment Earnings	130,745	156,863	183,329	121,033	251,754	472,021	1,047,880	896,562	85,687	181,432
Other General Revenues, Net	-	-	26,834	32,101	55,663	-	-	-	29,560	76,024
Total Primary Government	<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>	<u>100,359,073</u>	<u>107,327,668</u>	<u>111,060,333</u>	<u>112,728,734</u>	<u>116,711,364</u>
CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (2,491,418)</u>	<u>\$ 2,179,422</u>	<u>\$ 387,656</u>	<u>\$ 106,752</u>	<u>\$ 14,850,530</u>	<u>\$ 11,903,115</u>	<u>\$ 15,316,023</u>	<u>\$ 21,425,682</u>	<u>\$ 20,204,790</u>	<u>\$ 8,823,502</u>

TABLE 3

**TOWN OF SOUTH WINDSOR, CONNECTICUT
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable	\$ 17,508	\$ 18,722	\$ 970	\$ -	\$ 2,442	\$ 9,307	\$ 13,500	\$ -	\$ 79,619	\$ 41,819
Restricted	-	-	-	-	-	-	-	-	1,409,700	1,643,469
Committed	-	-	-	-	-	1,500,000	3,000,000	3,094,594	3,200,000	3,200,000
Assigned	1,616,470	1,772,742	1,527,753	2,096,625	1,621,867	1,293,331	3,825,079	4,813,890	2,131,191	1,122,761
Unassigned	5,042,748	5,238,041	5,329,639	8,035,255	9,467,497	11,247,314	15,245,581	22,780,140	28,152,804	33,187,015
Total General Fund	<u>\$ 6,676,726</u>	<u>\$ 7,029,505</u>	<u>\$ 6,858,362</u>	<u>\$ 10,131,880</u>	<u>\$ 11,091,806</u>	<u>\$ 14,049,952</u>	<u>\$ 22,084,160</u>	<u>\$ 30,688,624</u>	<u>\$ 34,973,314</u>	<u>\$ 39,195,064</u>
All Other Governmental Funds:										
Nonspendable	\$ 33,293	\$ 42,355	\$ 56,678	\$ 39,488	\$ 28,426	\$ 31,054	\$ 20,485	\$ 20,735	\$ 20,704	\$ 43,762
Restricted	760,375	836,513	857,917	839,148	1,205,414	1,483,623	1,555,342	1,756,737	2,712,615	3,920,738
Committed	3,082,618	3,928,403	6,143,366	2,468,694	3,246,582	2,733,535	3,768,240	3,857,390	3,602,594	3,243,930
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(48,018)	(282,640)	(28,482)	(3,742,300)	(4,386,400)	(9,160)	(4,261,831)	(24,977,685)	(5,177,951)	(3,116,498)
Total All Other Governmental Funds	<u>\$ 3,828,268</u>	<u>\$ 4,524,631</u>	<u>\$ 7,029,479</u>	<u>\$ (394,970)</u>	<u>\$ 94,022</u>	<u>\$ 4,239,052</u>	<u>\$ 1,082,236</u>	<u>\$ (19,342,823)</u>	<u>\$ 1,157,962</u>	<u>\$ 4,091,932</u>

TABLE 4

TOWN OF SOUTH WINDSOR, CONNECTICUT
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Property Taxes	\$ 81,674,471	\$ 86,482,924	\$ 89,316,302	\$ 92,999,372	\$ 95,483,270	\$ 99,981,359	\$ 105,582,085	\$ 108,607,387	\$ 110,911,702	\$ 114,381,705
Intergovernmental	26,568,233	28,191,586	25,919,136	27,782,151	45,201,620	35,062,337	25,521,402	41,835,299	37,059,402	34,461,136
Charges for Goods and Services	10,489,952	9,632,436	11,415,230	11,920,765	12,631,202	13,223,259	13,338,337	12,109,119	11,964,484	12,412,041
Investment Earnings	125,044	150,955	61,316	111,262	242,072	459,306	1,032,556	885,783	83,384	179,095
Miscellaneous	310,672	288,393	360,338	463,547	389,669	349,326	422,353	414,168	456,418	715,658
Total Revenues	119,168,372	124,746,294	127,072,322	133,277,097	153,947,833	149,075,587	145,896,733	163,851,756	160,475,390	162,149,635
EXPENDITURES										
Current:										
General Government	3,161,756	3,438,550	3,444,744	3,560,662	3,788,541	3,798,686	4,026,834	4,569,240	4,353,621	4,658,205
Public Safety	7,480,490	7,989,555	8,334,840	8,320,505	8,764,069	9,217,176	9,136,196	9,198,231	9,489,706	10,478,475
Public Works	10,946,524	10,675,686	10,975,854	11,143,679	11,983,196	11,747,331	12,651,109	12,247,581	13,628,295	12,976,227
Human Services	1,078,348	1,090,749	1,088,900	1,121,246	1,423,516	1,415,836	1,588,450	1,356,756	1,245,023	1,441,320
Culture and Recreation	4,193,506	4,445,705	4,710,096	4,946,672	4,964,347	5,330,618	5,474,184	5,153,040	4,704,368	5,475,201
Insurance and Sundry	6,090,641	6,630,836	6,467,843	6,556,833	6,340,930	6,708,737	7,459,924	7,592,362	8,392,989	8,368,690
Education	77,187,320	82,367,010	81,650,067	83,381,512	91,479,612	91,736,872	82,483,400	88,847,904	95,355,853	98,056,285
Capital Outlay	4,418,905	5,598,435	6,255,201	18,260,516	28,899,903	14,141,482	16,101,606	52,866,614	18,800,903	26,451,317
Debit Service:										
Principal	3,080,000	3,697,484	4,200,646	4,199,274	4,538,380	5,062,972	4,968,061	5,348,656	6,084,349	6,918,000
Interest	5,199,178	4,082,781	2,978,753	2,675,623	2,827,201	3,408,213	3,410,034	3,344,663	3,724,928	3,807,928
Total Expenditures	122,836,668	130,016,791	130,106,944	144,166,522	165,009,695	152,567,923	147,299,798	190,525,047	165,780,035	178,631,648
DEFICIENCY OF REVENUES OVER EXPENDITURES	(3,668,296)	(5,270,497)	(3,034,622)	(10,889,425)	(11,061,862)	(3,492,336)	(1,403,065)	(26,673,291)	(5,304,645)	(16,482,013)
OTHER FINANCING SOURCES										
Proceeds from Bond Refunding	27,516,583	6,615,000	5,160,000	-	-	4,125,000	9,155,000	-	19,110,000	3,100,000
Premium on Bonds	-	731,924	78,540	207,067	739,043	524,383	1,718,700	574,216	3,476,544	1,784,823
Payments to Escrow Agents	-	(7,163,837)	-	-	-	(5,567,886)	(10,623,910)	-	(21,129,324)	(3,220,583)
Premiums on Bond Anticipation Notes	-	-	-	-	-	-	-	-	78,977	-
Proceeds from Bonds Issued	-	6,320,000	-	4,300,000	11,860,000	11,500,000	5,250,000	13,500,000	27,000,000	20,000,000
Proceeds from Leases	363,951	480,552	826,352	2,946,407	477,850	881,013	514,134	778,480	1,145,209	1,973,493
Transfers In	1,305,972	1,183,689	2,000,812	1,761,537	2,080,018	3,656,753	3,308,978	4,628,562	3,758,576	3,869,598
Transfers Out	(1,906,972)	(1,847,689)	(2,697,372)	(2,476,517)	(2,646,131)	(4,257,218)	(3,308,978)	(4,628,562)	(3,758,576)	(3,869,598)
Total Other Financing Sources	27,279,534	6,319,639	5,368,332	6,738,494	12,510,780	10,862,045	6,013,924	14,852,696	29,681,406	23,637,733
NET CHANGE IN FUND BALANCE	23,611,238	1,049,142	2,333,710	(4,150,931)	1,448,918	7,369,709	4,610,859	(11,820,595)	24,376,761	7,155,720
Fund Balance - Beginning of Year	(13,106,249)	10,504,989	11,554,131	13,887,841	9,736,910	11,185,828	18,555,537	23,166,396	11,754,515	36,131,276
FUND BALANCE - END OF YEAR	<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>	<u>\$ 18,555,537</u>	<u>\$ 23,166,396</u>	<u>\$ 11,345,801</u>	<u>\$ 36,131,276</u>	<u>\$ 43,286,996</u>
Debt Service as a Percentage to Noncapital Expenditures	6.85%	6.30%	5.75%	5.40%	5.43%	6.21%	6.34%	8.71%	6.63%	7.00%

TABLE 5

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

Fiscal Year	Real Property Residential	Commercial ⁽¹⁾	Personal	Motor Vehicle	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value ⁽⁴⁾
2022	\$ 1,790,492,361	\$ 630,610,687	\$ 458,265,560	\$ 256,659,108	\$ 178,176,658	\$ 2,957,851,058	37.86	\$ 4,225,501,511
2021	1,814,742,198	548,984,417	421,117,070	245,327,963	176,178,614	2,853,993,034	37.88	4,077,132,906
2020	1,954,515,583	534,398,778	394,178,512	234,363,918	348,373,852	2,769,082,939	38.5	3,955,832,770
2019 ⁽²⁾	1,940,934,413	517,122,647	381,763,430	230,786,948	321,762,146	2,748,845,292	37.67	3,926,921,846
2018	2,120,523,759	234,463,220	340,605,990	225,387,225	318,272,044	2,602,708,150	38.08/37.00 ⁽³⁾	3,718,154,500
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 ⁽³⁾	3,292,099,671
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 ⁽²⁾	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

Source: Town of South Windsor-Assessor

Note: The Town has no overlapping governments.

⁽¹⁾ Note: 2011-2010 not separately available for commercial property.

⁽²⁾ Note: Revaluation year.

⁽³⁾ Note: State of Connecticut enacted a Motor Vehicle Mill Rate Cap of 37.00 mills effective June 30, 2016.

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

TABLE 6

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

Taxpayer	Nature of Business	2022			2013		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eversource (formally CL&P)	Utility	\$ 118,782,610	1	39.86 %	\$ 55,733,170	1	29.59 %
Evergreen Walk Lifestyle Center	Real Estate	31,928,600	2	10.71	26,491,262	2	14.06
Evergreen Crossing Retirement	Real Estate	27,487,700	3	9.22	-		
Aldi Inc.	Distribution	24,268,070	4	8.14	-		
Suri Realty LLC	Real Estate	21,063,500	5	7.07	-		
Doosan Fuel Cell America Inc	Utility	16,872,460	6	5.66	-		
Yankee Gas	Services	16,567,610	7	5.56	-		
FEM Sullivan Road LLC	Services	14,780,530	8	4.96	-		
South Windsor Developers, LLC	Services	13,245,970	9	4.44	-		
Federated Retail Holdings, LLC	Real Estate	-			17,370,510	3	9.22
Town Center of South Windsor	Retail	13,023,700	10	4.37	16,099,020	4	8.55
Evergreen Walk, LLC	Real Estate	-			13,797,600	5	7.32
Target Corp.	Retail	-			12,388,000	6	6.58
DST Output East, LLC	Services	-			12,145,510	7	6.45
Benchmark GPT Windsor LLC	Healthcare	-			11,711,500	8	6.22
Connecticut Water Co	Real Estate	-			11,495,710	9	6.10
Lowes Home Center	Retail	-			11,150,460	10	5.92
Total		<u>\$ 298,020,750</u>		<u>100.00 %</u>	<u>\$ 188,382,742</u>		<u>100.00 %</u>

Source: Town of South Windsor- Assessor
2022 - October 1, 2020 Assessment
2013 - October 1, 2011 Assessment

TABLE 7

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

Fiscal Year Ending June 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
2022	\$ 2,957,851,058	37.86	\$ 111,999,651	\$ 111,444,340	99.50 %	\$ -	\$ 111,444,340	99.50 %
2021	2,853,993,034	37.88	⁽¹⁾ 108,473,868	107,647,467	99.24	405,700	108,053,167	99.61
2020	2,769,082,939	38.50	⁽¹⁾ 107,383,738	106,637,974	99.31	649,539	107,287,513	99.91
2019	2,748,845,292	37.67	⁽¹⁾ 103,762,190	102,979,809	99.25	729,128	103,708,937	99.95
2018	2,602,708,150	38.08/37.00	⁽¹⁾ 99,320,301	98,275,075	98.95	1,019,953	99,295,028	99.97
2017	2,304,469,770	37.34/37.00	⁽¹⁾ 95,525,838	94,247,010	98.66	1,261,643	95,508,653	99.98
2016	2,504,781,492	36.54	91,894,135	90,891,340	98.91	998,003	91,889,343	99.99
2015	2,532,883,480	35.51	89,399,738	87,965,832	98.40	1,429,464	89,395,296	100.00
2014	2,470,685,689	34.90	86,279,650	85,042,713	98.57	1,229,612	86,272,325	99.99
2013	2,690,600,110	29.43	81,652,659	80,566,157	98.67	1,081,610	81,647,767	99.99

Source: Town of South Windsor-Tax Collector

⁽¹⁾ State of Connecticut enacted a Motor Vehicle Mill Rate Cap of 37.00 mills effective June 30, 2016.

TABLE 8

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

Fiscal Year	General Obligation Bonds ⁽¹⁾	Sewer Bonds ⁽²⁾	Capital Leases	Lease Financing ⁽³⁾	Lease Liability ⁽³⁾	Total Primary Government	Ratio of Debt to Estimated Taxable Value of Property ⁽³⁾	Debt Per Capita ⁽⁴⁾	Total Debt Outstanding as a Percentage of Personal Income ⁽⁵⁾
2022	\$ 102,029,284	\$ 15,243,000	\$ -	\$ 3,651,736	\$ 1,379,696	\$ 122,303,716	2.89 %	\$ 4,569	0.04 %
2021	87,100,896	16,555,000	3,058,540			106,714,436	2.62	3,964	0.04
2020	63,573,914	19,596,559	3,185,056			86,355,529	2.18	3,344	0.04
2019	54,088,806	20,990,215	3,364,319			78,443,340	2.00	3,040	0.05
2018	51,874,427	23,353,127	3,825,260			79,052,814	2.13	3,063	0.05
2017	45,405,122	24,765,093	3,734,926			73,905,141	2.24	2,864	0.05
2016	36,301,741	26,210,009	4,107,494			66,619,244	1.86	2,583	0.06
2015	34,958,142	27,571,991	2,000,484			64,530,617	1.78	2,502	0.06
2014	32,951,952	28,907,027	1,542,849			63,401,828	1.80	2,457	0.06
2013	29,590,423	28,465,648	1,408,217			59,464,288	1.55	2,302	0.06

Source: Town of South Windsor-Finance.

Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ Town only issues general obligation bonds and has no overlapping debt.

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

⁽³⁾ See Table 5 for taxable property value data.

⁽⁴⁾ See Table 11 for population data.

⁽⁵⁾ See Table 11 for personal income data.

⁽⁶⁾ Town has implemented GASB 87 in FY2022

TABLE 9

**TOWN OF SOUTH WINDSOR, CONNECTICUT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Assessed Value of Property ⁽¹⁾	Net General Bonded Debt	Ratio of Debt to Estimated Taxable Value of Property	Debt Per Capita	Total Debt Outstanding as a Percentage of Personal Income
2022	26,767	\$ 2,957,851,058	\$ 117,272,284	3.96 %	4,381	0.10 %
2021	26,918	2,853,993,034	103,655,896	3.63	3,851	0.12
2020	25,806	2,769,082,939	83,170,473	3.00	3,223	0.13
2019	25,806	2,748,845,292	75,079,021	2.73	2,909	0.13
2018	25,806	2,602,708,150	72,677,127	2.79	2,816	0.14
2017	25,806	2,304,469,770	67,925,093	2.95	2,632	0.15
2016	25,793	2,262,827,391	60,830,009	2.69	2,358	0.16
2015	25,789	2,536,097,921	60,896,991	2.40	2,361	0.16
2014	25,803	2,497,141,588	60,102,027	2.41	2,329	0.17
2013	25,837	2,692,892,761	57,920,648	2.15	2,242	0.17

Source: Town of South Windsor-Finance.

⁽¹⁾ Town only issues general obligation bonds and has no overlapping debt.

TABLE 10

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 572,155,955	\$ 603,648,675	\$ 624,631,371	\$ 650,125,903	\$ 668,710,378	\$ 668,710,378	\$ 698,350,135	\$ 740,242,202	\$ 760,832,149	\$ 777,811,685
Total Net Debt Applicable to Limit	73,402,142	71,828,521	72,623,485	92,608,657	83,858,275	86,405,900	132,490,796	141,891,234	196,009,385	198,457,047
Legal Debt Margin	<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>	<u>\$ 582,304,478</u>	<u>\$ 565,859,339</u>	<u>\$ 598,350,968</u>	<u>\$ 564,822,764</u>	<u>\$ 579,354,638</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.83%	11.90%	11.63%	14.24%	12.54%	12.92%	18.97%	19.17%	25.76%	25.51%

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 2022 debt limit can be found on Table 11 of this report.

**TOWN OF SOUTH WINDSOR, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2022**

Total Tax Collections (Including Interest and Lien Fees)
Received by Treasurer for the Year Ended June 30, 2021

\$ 111,115,955

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 250,010,899	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	500,021,798	-	-	-
3-3/4 Times Base	-	-	416,684,831	-	-
3-1/4 Times Base	-	-	-	361,126,854	-
3 Times Base	-	-	-	-	333,347,865
Total Debt Limitation	250,010,899	500,021,798	416,684,831	361,126,854	333,347,865
Indebtedness:					
Bonds Payable	28,102,000	67,155,000	15,243,000	-	-
Bond Anticipation Notes	4,000,000	10,000,000	-	-	-
CWF Notes Payable	-	-	438,040	-	-
Authorized, Unissued Bonds	24,665,995	48,853,012	-	-	-
Total Indebtedness	56,767,995	126,008,012	15,681,040	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 193,242,904</u>	<u>\$ 374,013,786</u>	<u>\$ 401,003,791</u>	<u>\$ 361,126,854</u>	<u>\$ 333,347,865</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$777,811,685).

TABLE 12

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

Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽²⁾	Educational Attainment		School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
					High School	Bachelors Degree		
2022	26,767	\$ 53,513	\$ 119,972	42.8	96.7	53.1	4,657	3.0 %
2021	26,918	47,910	107,374	43.2	96.6	48.2	4,588	4.0
2020	25,823	38,505	99,774	43.2	96.6	48.2	4,521	3.0
2019	25,802	38,505	99,774	43.3	95.8	49.8	4,239	3.0
2018	25,806	38,505	99,774	43.3	92.6	44.6	4,142	3.8
2017	25,806	38,505	99,774	43.3	92.6	44.6	4,071	4.2
2016	25,793	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

⁽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

TABLE 13

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

Employer	Nature of Business	2022			2013		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of South Windsor	Municipality	918	1	29.11 %	802	1	25.03 %
DST Output	Services	550	2	17.44	721	2	22.50
New England Mechanical	Manufacturing	368	3	11.67	-	-	-
Target Department Stores	Retailing	250	4	7.93	271	5	8.46
The May Company	Distributor	221	5	7.01	389	4	12.14
Electro Methods	Manufacturing	208	6	6.59	180	6	5.62
Doosan Fuel Cell America	Manufacturing	193	7	6.12	-	-	-
Lowe's Home Improvement	Retailing	160	8	5.07	150	7	4.68
Super Stop & Shop	Retailing	145	9	4.60	-	-	-
Ticket Network	Services	141	10	4.47	451	3	14.08
HPC Food Services	Wholesaler	-	-	-	140	8	4.37
Eastern CT Health Network	Medical	-	-	-	100	9	3.12
Pioneer Aerospace	Manufacturing	-	-	-	-	-	-
Total		<u>3,154</u>		100.00 %	<u>3,204</u>		100.00 %

TABLE 14

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

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Town Manager's Office	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Registrar of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0
Finance and Taxation	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Town Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Information Technology	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0
Public Safety	63.0	63.0	60.0	58.0	58.0	54.0	54.0	54.0	54.0	52.0
Public Works	49.0	47.0	50.0	50.0	49.0	47.0	47.0	47.0	47.0	45.0
Public Health	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Planning and Zoning	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human Services	13.0	13.0	12.0	12.0	11.0	8.0	8.0	8.0	8.0	9.0
Culture and Recreation	24.0	23.0	22.0	22.0	22.0	18.0	18.0	18.0	18.0	19.0
Library	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0
Education	719.0	692.0	677.0	668.0	657.0	618.0	628.0	638.0	639.0	628.0
Total	<u>918.0</u>	<u>886.0</u>	<u>869.0</u>	<u>857.0</u>	<u>801.0</u>	<u>810.0</u>	<u>811.0</u>	<u>802.0</u>	<u>787.0</u>	<u>811.0</u>

Source: Town of South Windsor-Human Resources

TABLE 15

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

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police:										
General Service Calls	30,032	29,766	28,341	27,223	30,055	32,521	28,306	33,068	33,329	34,562
Criminal Arrests	385	304	337	333	428	490	630	427	643	569
Traffic Accidents	418	330	455	486	416	659	395	399	584	586
Fire Marshal:										
Fire Investigations Completed	24	16	22	35	31	10	27	23	19	10
Inspections	2,055	836	1,504	1,989	1,875	1,500	1,545	2,565	1,704	850
Public Works:										
GIS Dashboard Requests*	1,312	1,218	1,050	800	1,159	1,200	1,100	958	903	700
Snow Routes	17	7	17	17	22	22	20	21	21	21
Miles of Road Plowed	141	141	140	140	140	140	140	140	140	140
Road Surface Treatment Miles	20	18	13	13	21	7	6	4	6	2
Catch Basins Cleaned	1,403	1,809	2,400	1,900	2,001	1,891	1,736	1,997	2,048	1,677
Health and Human Services:										
Food Service Inspections (1)	190	86	183	288	226	175	140	107	195	147
Child Care Facility Inspections	15	9	8	6	12	5	11	3	13	11
Youth Development Participants	1,316	1,132	1,648	2,456	921	901	913	1,900	2,797	600
Teen Center Participants	250	58	263	305	247	245	254	275	313	500
Parks and Recreation:										
Athletic Fields Maintained	28	28	28	28	28	28	25	25	25	23
Baseball and Softball Fields Maintained	16	16	16	16	16	16	16	16	16	16
Library:										
Total Circulation	195,448	163,795	178,956	224,924	296,100	222,000	231,708	268,030	277,000	283,300
Library Sponsored Programs	407	354	543	597	857	575	568	562	433	500
Wastewater:										
Wastewater Treated (Million Gallons)	1,142	888	908	997	824	900	817	857	909	800
Emergency Call-Outs/Alarms	54	65	61	54	86	90	102	94	142	110
Miles of Sewer Line Cleaned	6	44	8	15	30	30	8	6	19	12

SOURCE: Town of South Windsor-Variou Departments

* Information not available

⁽¹⁾ FY 2018 includes temporary events, farmers market and itinerant trucks

TABLE 16

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

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	42	44	44	44	44	42	42	42	42	42
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	15	14	14	14	14	13	13	13	13	13
Hydrants	981	981	981	976	949	949	937	927	890	890
Public Works:										
Vehicles and Equipment	185	185	162	158	158	156	116	114	102	105
Streets (Miles)	141	141	140	140	140	140	140	140	140	140
Parks and Recreation:										
Vehicles (Road)	30	19	19	17	15	14	14	13	13	12
Acreage	975.6	958.0	958.0	958.0	840.5	840.5	840.5	840.5	840.5	812.9
Playgrounds	3	3	3	3	2	2	2	2	2	2
Athletic Fields	44.5	44.5	44.5	44.5	41.5	41.5	41.5	41.5	41.5	39.5
Wapping Rec.	1	1	1	1	1	1	1	1	1	1
Swimming Pools	3	3	3	3	3	3	3	3	3	3
Public Libraries:										
Libraries	1	1	1	1	1	1	1	1	1	1
Human Services:										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Mini-Buses	4	4	4	4	4	4	4	4	4	4
Vehicles	2	2	2	2	2	2	2	2	2	2
Education:										
Schools	6	7	7	6	6	7	7	7	7	7