

# TOWN OF SOUTH WINDSOR, CONNECTICUT



## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2020

# **Comprehensive Annual Financial Report**

**of the**

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

Fiscal Year Ended June 30, 2020

Finance Department

Patricia Perry  
Director of Finance

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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JUNE 30, 2020**

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# Introductory Section



## *Town of South Windsor*

1540 SULLIVAN AVENUE • SOUTH WINDSOR, CT 06074

TELEPHONE (860) 644-2511

November 30, 2020

Mayor Andrew Paterna  
Town Council Members  
Residents of South Windsor

I am pleased to present the Comprehensive Annual 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 ended June 30, 2020. 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. Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion on the Town's financial statements for the year ended June 30, 2020. 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 Comprehensive Annual Financial Report, commonly referred to as the CAFR. 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 it has established. Because the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

## TOWN PROFILE

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

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

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

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

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

The Town’s public school system provides a balanced curriculum for approximately 4,100 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

The COVID-19 crisis has had a major impact on all including our local economy. Mandated business closures have created record unemployment rates and will surely have an impact on future revenues and spending. South Windsor has a strong financial position to weather this storm. Policies and conservative budgeting has allowed the Town to establish a new Tax Stabilization Reserve and build Fund Balances to record numbers.

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, 2020, the unemployment rate in South Windsor was 8.3% while in Hartford County it was 9.9%. The Town's unemployment rate is also significantly lower than the 2020 State annual average unemployment rate of 10.1% and national rate of 11.1%.

South Windsor's October 1, 2018 grand list, effective for the 2019-2020 fiscal year, increased .74% or \$20.2 million from the previous year. Growth was primarily due to increases in Real Estate and Motor Vehicles. The 2018 net taxable grand list totals \$2.7 billion and its components are comprised of 62.70% residential, 17.14% commercial, 12.64% personal property and 7.52% motor vehicle. The Town continues to maintain a balanced mix of retail, light industry, manufacturing and retirement communities and its top ten taxpayers comprise 9.60% of the total net assessed value on the October 1, 2018 grand list. Table 6 in the Statistical Section lists details the top taxpayers. Because this list constitutes less than 10% 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 98% for the past ten years. Increased collection efforts resulted in a 99.31% collection rate, which exceeded the 98.8% assumed in the fiscal year 2020 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 2,339 or an 8.4% increase over previous fiscal year. Notable economic Development included the following:

- A 200,000 square foot warehouse was completed for The Coca-Cola Bottling Co. of Northern New England (CCNNE);
- A 421,000 square foot distribution center on 46 acres at the intersection of Ellington and Chapel Roads is nearing completion. The facility will be leased long term by the Home Depot;
- Vintage Lane II, a six-lot subdivision of single-family homes off Barber Hill Road, is in preliminary approval and design process;
- Construction is well underway at the new Gateway Plaza East, LLC which when completed will house a Chase Bank and Aldi Grocery Store;



- Kilkenny Heights II, a 12-lot subdivision of single-family homes at the intersection of Maskel and Abbe Roads, is in the preliminary approval and design phase;
- The Learning Experience, a 10,000 square foot daycare center at Evergreen walk is under construction; and
- Chestnut Ridge, a 19-lot subdivision of single-family homes on Barber Hill Road is in the preliminary approval and design process.

## LONG-TERM FINANCIAL PLANNING

In fiscal year 2020, the Town issued \$18,000,000 of anticipatory notes for the construction of the new Eli Terry and Phillip R. Smith Elementary Schools and \$13,500,000 in general obligation bonds to finance ongoing 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 two new elementary schools 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 has been key in maintaining the Town's strong bond rating of AA+ from Standard and Poor and Aa2 from Moody's. Each year the Town adopts a capital improvement budget and prepares a 5-year capital plan. The Town continued to manage a number of projects including the following:

- PRS and Eli Terry new elementary school construction was completed with staff moving classrooms in preparation for the start of the 2020/2021 school year.
- Phase II of the Skate Park at Nevers Park was completed and opened to the public in late fall.
- The Library elevator was completely overhauled and planning/engineering for the Ellsworth elevator install and Town Hall elevator replacement started.
- The Town and Board of Education converted several buildings from oil to natural gas; including the Community Center and Police Department, South Windsor High School and Timothy Edwards Middle School.

- 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 opening 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 calls for the construction of two new K-5 schools: Philip R. Smith Elementary a 58,243 building and Eli Terry Elementary a 66,586 building. Construction began in February 2019 and both schools opened in August 2020 for the 2020/2021 school year. Phase III to construct the new Pleasant Valley School passed referendum in March of 2020 and preliminary architectural and construction work has begun.

## ACCOUNTING AND BUDGETING

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

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

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

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

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

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

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

#### *Balanced Budget Requirement*

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

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

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

Budget transfers may be necessary for any one of several reasons. At times, objectives may be realigned requiring the corresponding realignment of resources. Transfers may also be needed as a result of actual expenditures that vary from original estimates. Section 711 of the Town Charter allows for transfers of any unencumbered appropriation. The Town Council has the authority to transfer amounts, except those of the Board of Education, between departments. Transfer of funds within the same department made by 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 comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for preparation of state and local government financial reports.

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

A Certificate of Achievement for a CAFR is valid for a period of one year only. The Town of South Windsor believes our current report continues to conform to the Certificate of Achievement program requires, and we are submitting it to GFOA for consideration once again. The Town was also presented a Distinguished Budget Presentation Award from the GFOA for the past six years.

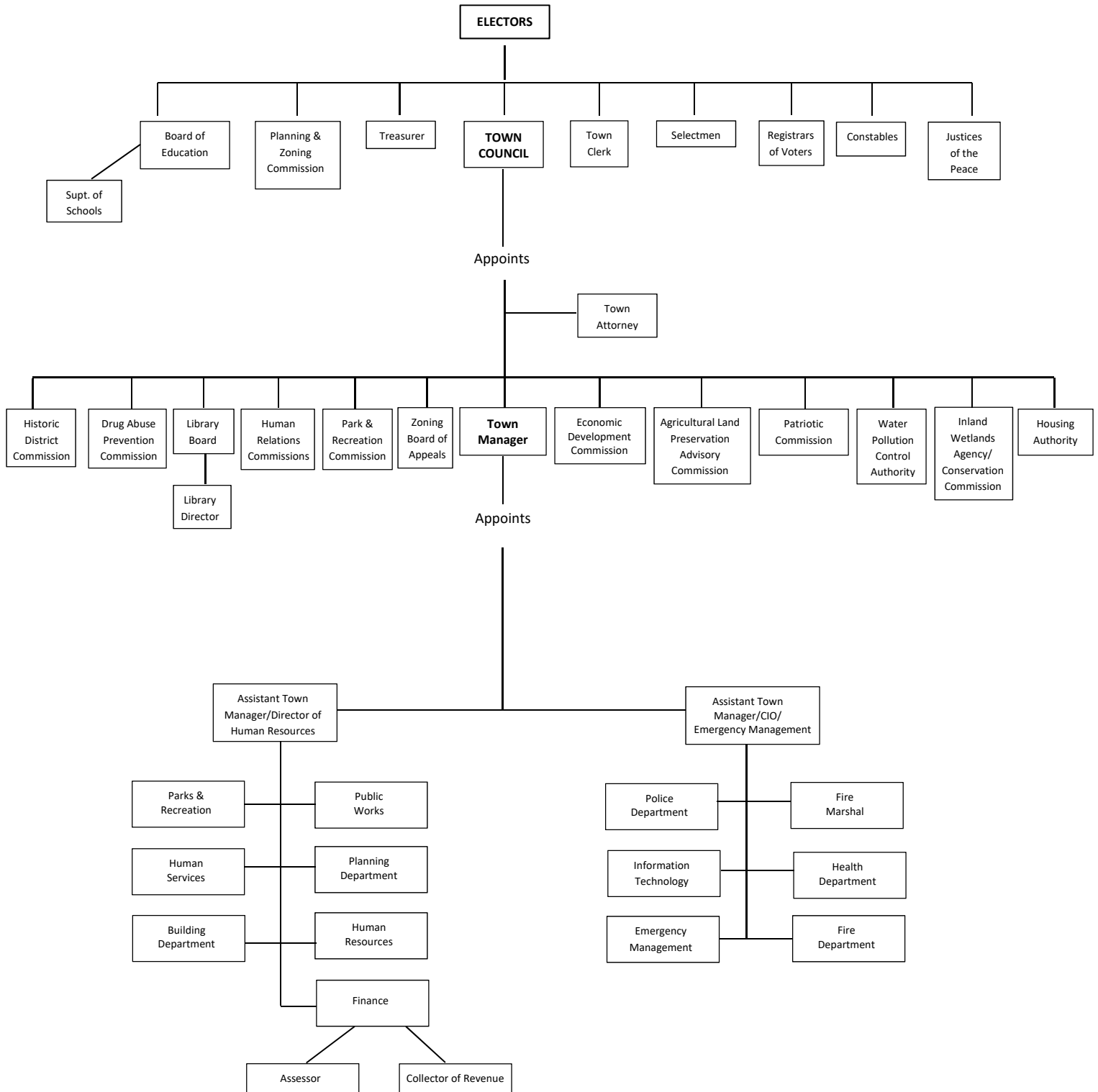
The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. I would like to thank Blum, Shapiro & Company, P.C., our independent auditors, for their efforts and counsel during the audit, CAFR preparation and submission 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 fluid and cursive, with the first name "Patricia" being more prominent than the last name "Perry".

Patricia Perry  
Director of Finance

# Town of South Windsor Organizational Chart



Town of South Windsor  
Listing of Principal Officials  
June 30, 2020

TOWN COUNCIL

Andrew Paterna, Mayor

Elizabeth Pendleton, Deputy Mayor  
Audrey Delnicki  
Erica Evans  
Mary Justine Hockenberry

Cesar Lopez  
Karen Lydecker  
Lisa M. Maneeley  
Janice A. Snyder

BOARD OF EDUCATION

Craig Zimmerman, Chairman

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

Michael Gonzalez  
Marek Kozikowski  
James O'Brien  
Michael Pare

ADMINISTRATION

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

TOWN DEPARTMENTS

Michael Maniscalco, Town Manager

Bonnie Armstrong, Town Clerk  
Andrea Cofrancesco, Director of Human  
Services  
Christopher Dougan, Chief Building Official  
Scott Custer, Chief of Police  
Mary Etter, Library Director  
Raymond Favreau, Director of Recreation  
Michael Gantick, Director of Public Works

Jennifer Hilinski-Shirley, Tax Collector  
Mary Huda, Assessor  
Michele Lipe, Director of Planning  
Patricia Perry, Director of Finance  
Vanessa Perry, Assistant Town Manager/  
Director of Human Resources  
Scott Roberts, Assistant Town Manager/CIO  
Walter Summers, Fire Marshal



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of South Windsor  
Connecticut**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



## **Financial Section**



## **Independent Auditors' Report**

To the Town Council  
Town of South Windsor, Connecticut

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of South Windsor, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of South Windsor, Connecticut's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of South Windsor, Connecticut, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

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

### ***Other Information***

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of South Windsor, Connecticut, as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 4, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 on our consideration of the Town of South Windsor, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of South Windsor, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of South Windsor, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
November 30, 2020

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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, 2020. 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 \$179,596,238 an increase of \$21,425,682 or 13.5% over the previous fiscal year. Of the Town's total net position at June 30, 2020, \$1,801,965 is unrestricted and may be used to meet the operating needs of the Town.
- On a government wide basis, revenues totaled \$168,520,191 while expenses equaled \$147,094,509.
- Total cost of all of the Town's government programs was \$21,425,682 less than the generated revenues. No new programs were added this year.
- The Town bonded \$13,500,000 to permanently finance construction of the new Eli Terry, and PR Smith Elementary School construction. In addition, the Town issued \$18,000,000 in Bond Anticipation Notes to provide temporary financing for Eli Terry, PR Smith Elementary School construction and road and drainage improvements.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

## **Government-Wide Financial Analysis**

The Town's government-wide activities net position changed from a year ago, increasing from \$158,170,556 to \$179,596,238. 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 \$21,425,682 at the close of the most recent fiscal year.

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

**TABLE 1  
NET POSITION**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Current assets	\$ 49,079,053	\$ 59,113,287
Capital assets, net of accumulated depreciation	281,799,435	242,365,514
Total assets	<u>330,878,488</u>	<u>301,478,801</u>
Deferred outflows of resources	<u>4,832,332</u>	<u>2,475,192</u>
Long-term liabilities outstanding	28,464,486	28,280,339
Other liabilities	121,097,412	110,736,568
Total liabilities	<u>149,561,898</u>	<u>139,016,907</u>
Deferred inflows of resources	<u>6,552,684</u>	<u>6,766,530</u>
Net Position:		
Net investment in capital assets	177,794,273	148,370,264
Unrestricted	<u>1,801,965</u>	<u>9,800,292</u>
Total Net Position	<u>\$ 179,596,238</u>	<u>\$ 158,170,556</u>

**TABLE 2**  
**CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Revenues:		
Program revenues:		
Charges for services	\$ 12,192,059	\$ 12,841,851
Operating grants and contributions	32,169,037	21,595,479
Capital grants and contributions	13,098,762	3,298,714
General revenues:		
Property taxes	108,137,590	104,691,701
Grants and contributions not restricted to specific purposes	2,026,181	1,588,087
Unrestricted investment earnings	896,562	1,047,880
Total revenues	<u>168,520,191</u>	<u>145,063,712</u>
Expenses:		
General government	6,241,142	5,578,183
Public safety	11,561,692	11,236,537
Public works	21,897,888	17,646,682
Human services	1,756,175	1,930,710
Culture and recreation	5,998,664	6,385,948
Education	97,695,610	84,508,649
Debt service	1,943,338	2,460,980
Total expenses	<u>147,094,509</u>	<u>129,747,689</u>
Increase in Net Position	21,425,682	15,316,023
Beginning Net Position	<u>158,170,556</u>	<u>142,854,533</u>
Ending Net Position	<u>\$ 179,596,238</u>	<u>\$ 158,170,556</u>

As noted above, total revenues were \$168,520,191 and the total cost of all programs and services was \$147,094,509. Our analysis below considers the operations of the fiscal year's governmental activities.

### **Governmental Activities**

The Town's net position increased \$21,425,682 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 \$9.8 million at June 30, 2019 to \$1.7 million at the end of this year.

For governmental activities, approximately 64.2% of the revenues were derived from Property Taxes, followed by 19.1% in Operating Grants & Contributions and 7.2% in Charges for Services.

Major revenue factors included:

- Operating Grants increased \$10,573,558 due to the increase of on-behalf OPEB and Pension contributions relating to the State Teachers' Retirement System.
- Property tax revenues recorded during fiscal year 2020 reflect a .74% 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 reflected an increase of \$9,800,048 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, 66.4% of the Town's expenditures relate to education, 14.9% to public works, 7.9% to public safety, 4.2% for general government and 4.1% 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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General government	\$ 6,241,142	\$ 5,578,183	\$ (3,205,649)	\$ (3,006,785)
Public safety	11,561,692	11,236,537	(11,159,852)	(10,897,647)
Public works	21,897,888	17,646,682	(3,116,012)	(9,135,378)
Human services	1,756,175	1,930,710	(1,412,966)	(1,339,945)
Culture and recreation	5,998,664	6,385,948	(4,214,486)	(3,708,714)
Education	97,695,610	84,508,649	(64,582,348)	(61,462,196)
Debt service	1,943,338	2,460,980	(1,943,338)	(2,460,980)
Total	<u>\$ 147,094,509</u>	<u>\$ 129,747,689</u>	<u>\$ (89,634,651)</u>	<u>\$ (92,011,645)</u>



## **Town Funds Financial Analysis**

### **Governmental Funds**

The Town's governmental funds (as presented in the balance sheet - Exhibit III) reported combined ending fund balances of \$11,345,801 inclusive of an unassigned fund balance of \$(2,197,545).

The General Fund is the operating fund of the Town. Fund balance of the Town's General Fund increased by \$8,604,464 during the current fiscal year. At June 30, 2020, unassigned fund balance of the General Fund was \$22,780,140 while total fund balance was \$30,688,624. The increase in fund balance is due to greater than expected revenues for building permits, recording fees and investment earnings combined with expenditure savings in General Government, Public Works and Insurance and Benefit line items.

The Town's collection rate in fiscal year 2020 was 99.31%, which is slightly higher than the average collection rate over the past five fiscal years.

### **General Fund Budgetary Highlights**

The approved Town budget (including education) for fiscal year 2019/2020 was \$122,626,358. Education expenses continued to be the largest component at 61.5%, followed by public safety at 7.8%, and public works at 7.2%.

During the year, actual revenues and other financing sources on a budgetary basis were \$125,887,694 which exceeded budgetary estimates by \$3,261,336. Increased collection enforcement pushed the collection rate to 99.3% versus the budgeted collection rate of 98.9% and generated positive variances in prior-year taxes, interest and lien revenue accounts. State of Connecticut Education Grants exceeded conservative budget estimates and added \$713,207 to the positive variance. Charges for current services exceeded budget expectations by \$1,239,809 primarily due to increased activity for building and fire marshal permits due to new construction and economic development, and higher Town Clerk fees. Investment income was \$110,223 over budget due to investing a portion of cash not currently needed into longer-term investments for higher interest rates.

Actual expenditures on a budgetary basis and other financing uses totaled \$119,592,593 which was less than budgeted by \$3,033,765. Public Safety and Public Works and Insurance/Benefit accounts contributed \$584,478, \$677,646 and \$692,587 respectively to the overall positive variance due to unfilled positions, overtime savings and overall cost containment.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Asset

The Town of South Windsor's investment in capital assets as of June 30, 2020 totals \$281,799,435 (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges, machinery and equipment, vehicles park facilities, wastewater collection systems and construction in progress. The increase in total capital assets, net of depreciation, over the prior fiscal year was \$39,433,921.

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

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 19,483,267	\$ 19,376,971
Buildings	89,436,129	61,671,406
Improvements other than buildings	15,989,807	16,106,395
Furniture and equipment	7,547,246	6,922,797
Infrastructure	79,880,731	73,826,098
Construction in progress	69,462,255	64,461,847
Total	<u>\$ 281,799,435</u>	<u>\$ 242,365,514</u>

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

- Road reconstruction of the Avery Heights Neighborhood
- Additions to CIP for Eli Terry and PR Smith Elementary school projects
- Completion and addition of the new Orchard Hill Elementary School
- Purchase of 1355 Ellington Road for open space
- Purchase Public Works heavy equipment and Police Interceptor Vehicles
- Oil Tank Conversions at several Town and School sites
- Backus Windrow Compost Turner
- Depreciation expense in the amount of \$5,082,468.

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 \$13,500,000 of general obligation bonds to be financed over 20 years with interest rates ranging from 2% to 5%. The bonds will permanently finance elementary school construction, and road/drainage project. At June 30, 2020, the Town had \$79,471,584 in bonds and notes outstanding versus \$71,571,146 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 \$18,000,000 for the construction of two new elementary schools. The plan is to issue bonds after projects are completed.

Debt service expenditures will continue to increase over the next several years as the Town permanently finances expenditures of \$69.9 million for the construction of the Eli Terry and PR Smith Elementary Schools and \$15 million for road and drainage projects as approved in 2018 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 maintains an AA+ rating for Standard and Poor's and an Aa2 rating from Moody's Investors Service. The overall statutory debt limit for the Town of South Windsor is equal to seven times annual receipts from taxation or \$740 million. As of June 30, 2020, the Town recorded total net debt of \$141 million, well below its statutory debt limits.

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

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

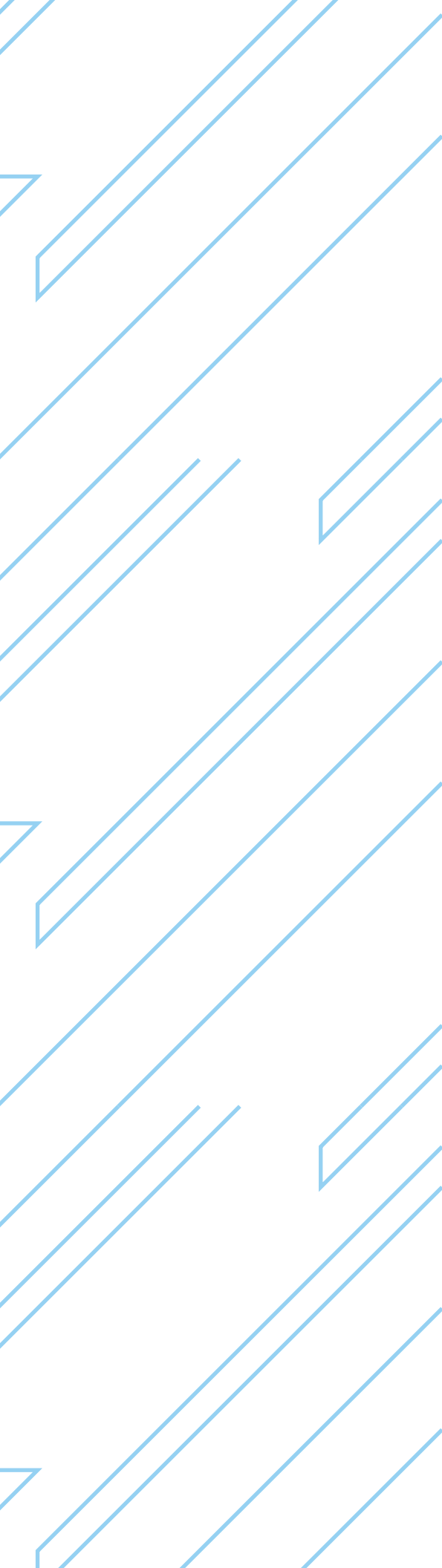
The Town Council considered many factors when setting the fiscal year 2020-2021 budget. The Town Council adopted a policy statement to lower than annual mill rate and discontinue the use of Unassigned Fund Balance. The financial impact of the annual budget on residents was the primary concern of town officials. General Fund appropriations totaled \$124,347,922 in the fiscal year 2021 adopted budget. The mill rate to support these expenditures was set at 37.88 or a decrease of 1.62 mills.

General Fund spending increased by \$1,721,564, an increase of 1.40% over the fiscal year 2020 budget. The largest increase was to Debt Service with an increase of \$876,776 followed by increases for contractual obligations, and program improvements. The fiscal year 2021 General Fund budget discontinued the use of unassigned General Fund balance but assigned \$500,000 from the Tax Stabilization funds in order to mitigate the tax increase of the increased appropriations.

Unemployment in the Town as of June 2020 was 8.3% versus 3.3% in June 2019. The State's unemployment rate was 10.1% and 3.7% and the national rate was 11.1% and 4.0% for the same time period.

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

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact 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, 2020**

	<b>Governmental Activities</b>
Assets:	
Cash and cash equivalents	\$ 46,009,614
Investments	143,008
Receivables, net	2,905,696
Inventory	20,485
Prepaid items	250
Capital assets not being depreciated	88,945,522
Capital assets being depreciated, net of accumulated depreciation	192,853,913
Total assets	<u>330,878,488</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	350,365
Deferred outflows related to pensions	2,077,744
Deferred outflows related to OPEB	2,404,223
Total deferred outflows of resources	<u>4,832,332</u>
Liabilities:	
Accounts payable and accrued liabilities	9,484,121
Unearned revenue	980,365
Notes payable	18,000,000
Noncurrent liabilities:	
Due within one year	9,485,888
Due in more than one year	111,611,524
Total liabilities	<u>149,561,898</u>
Deferred Inflows of Resources:	
Advance property tax collections	3,792,616
Deferred inflows related to pensions	1,019,406
Deferred inflows related to OPEB	1,740,662
Total deferred inflows of resources	<u>6,552,684</u>
Net Position:	
Net investment in capital assets	177,794,273
Unrestricted	<u>1,801,965</u>
Total Net Position	<u>\$ 179,596,238</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 6,241,142	\$ 2,538,788	\$ 489,405	\$ 7,300	\$ (3,205,649)
Public safety	11,561,692	351,591	50,249		(11,159,852)
Public works	21,897,888	5,821,633	389,533	12,570,710	(3,116,012)
Human services	1,756,175	211,860	131,349		(1,412,966)
Culture and recreation	5,998,664	1,747,937	36,241		(4,214,486)
Education	97,695,610	1,520,250	31,072,260	520,752	(64,582,348)
Interest on long-term debt	1,943,338				(1,943,338)
Total	<u>\$ 147,094,509</u>	<u>\$ 12,192,059</u>	<u>\$ 32,169,037</u>	<u>\$ 13,098,762</u>	<u>(89,634,651)</u>
General revenues:					
Property taxes					108,137,590
Grants and contributions not restricted to specific programs					2,026,181
Unrestricted investment earnings					896,562
Total general revenues					<u>111,060,333</u>
Change in Net Position					21,425,682
Net Position at Beginning of Year					<u>158,170,556</u>
Net Position at End of Year					<u>\$ 179,596,238</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 40,290,946	\$	\$ 30,035	\$ 970,164	\$ 41,291,145
Investments				143,008	143,008
Receivables, net	2,129,812	198,730	457,326	99,981	2,885,849
Due from other funds	1,566,377		1,808,237	3,331,317	6,705,931
Other assets				20,735	20,735
Total Assets	<u>\$ 43,987,135</u>	<u>\$ 198,730</u>	<u>\$ 2,295,598</u>	<u>\$ 4,565,205</u>	<u>\$ 51,046,668</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts and other payables	\$ 2,548,993	\$ 4,803,579	\$ 198,210	\$ 396,499	\$ 7,947,281
Due to other funds	5,139,554	1,539,721		26,656	6,705,931
Notes payable		18,000,000			18,000,000
Unearned revenue		826,500		153,865	980,365
Total liabilities	<u>7,688,547</u>	<u>25,169,800</u>	<u>198,210</u>	<u>577,020</u>	<u>33,633,577</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	1,817,348				1,817,348
Unavailable revenue - sewer use			457,326		457,326
Advance property tax collections	<u>3,792,616</u>				<u>3,792,616</u>
Total deferred inflows of resources	<u>5,609,964</u>	<u>-</u>	<u>457,326</u>	<u>-</u>	<u>6,067,290</u>
Fund balances:					
Nonspendable				20,735	20,735
Restricted				1,756,737	1,756,737
Committed	3,094,594		1,640,062	2,217,328	6,951,984
Assigned	4,813,890				4,813,890
Unassigned	<u>22,780,140</u>	<u>(24,971,070)</u>		<u>(6,615)</u>	<u>(2,197,545)</u>
Total fund balances	<u>30,688,624</u>	<u>(24,971,070)</u>	<u>1,640,062</u>	<u>3,988,185</u>	<u>11,345,801</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 43,987,135</u>	<u>\$ 198,730</u>	<u>\$ 2,295,598</u>	<u>\$ 4,565,205</u>	<u>\$ 51,046,668</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

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

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

Fund balances - total governmental funds	\$ 11,345,801
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 440,449,240	
Less accumulated depreciation	<u>(158,649,805)</u>	
Net capital assets		281,799,435

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	1,201,632
Interest receivable on property taxes	615,716
Assessments and user fee receivable	359,779
Interest receivable on assessments and user fees	97,547
Deferred outflows related to pension	2,077,744
Deferred outflows related to OPEB	2,404,223

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.

4,003,316

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	(16,321,187)
Deferred inflows related to pension changes in actuarial experience	(1,019,406)
Deferred inflows related to OPEB changes in actuarial experience	(1,740,662)
Bonds and notes payable	(79,471,584)
Interest payable on bonds and notes	(801,840)
Compensated absences	(8,995,904)
Capital lease	(3,185,054)
Unamortized bond premium	(3,698,889)
Net OPEB liability	(9,424,794)
Deferred charge on refunding	<u>350,365</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 179,596,238</u>
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The accompanying notes are an integral part of the financial statements



**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 108,607,387	\$	\$	\$	\$ 108,607,387
Intergovernmental	24,349,387	13,098,762		4,387,150	41,835,299
Charges for services	2,881,389	212,221	5,360,917	3,654,592	12,109,119
Investment earnings	867,349		251	18,183	885,783
Miscellaneous			7,601	406,567	414,168
Total revenues	<u>136,705,512</u>	<u>13,310,983</u>	<u>5,368,769</u>	<u>8,466,492</u>	<u>163,851,756</u>
Expenditures:					
Current:					
General government	4,402,074			167,166	4,569,240
Public safety	9,063,302			134,929	9,198,231
Public works	8,183,026		3,589,484	475,071	12,247,581
Human services	1,056,860			299,896	1,356,756
Culture and recreation	3,249,366			1,903,674	5,153,040
Insurance and sundry	7,592,362				7,592,362
Education	83,553,012			5,294,892	88,847,904
Debt service	8,693,319				8,693,319
Capital outlay		52,866,614			52,866,614
Total expenditures	<u>125,793,321</u>	<u>52,866,614</u>	<u>3,589,484</u>	<u>8,275,628</u>	<u>190,525,047</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,912,191</u>	<u>(39,555,631)</u>	<u>1,779,285</u>	<u>190,864</u>	<u>(26,673,291)</u>
Other Financing Sources (Uses):					
Issuance of general obligation bonds		13,500,000			13,500,000
Issuance of capital lease		778,480			778,480
Premium on general obligation bonds	574,216				574,216
Transfers in	59,678	4,555,189	13,695		4,628,562
Transfers out	(2,941,621)		(1,658,568)	(28,373)	(4,628,562)
Total other financing sources (uses)	<u>(2,307,727)</u>	<u>18,833,669</u>	<u>(1,644,873)</u>	<u>(28,373)</u>	<u>14,852,696</u>
Net Change in Fund Balances	8,604,464	(20,721,962)	134,412	162,491	(11,820,595)
Fund Balances at Beginning of Year	<u>22,084,160</u>	<u>(4,249,108)</u>	<u>1,505,650</u>	<u>3,825,694</u>	<u>23,166,396</u>
Fund Balances at End of Year	<u>\$ 30,688,624</u>	<u>\$ (24,971,070)</u>	<u>\$ 1,640,062</u>	<u>\$ 3,988,185</u>	<u>\$ 11,345,801</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (11,820,595)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	47,493,446
Depreciation expense	(5,082,468)

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.	(2,977,057)
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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	(242,205)
Property tax interest and lien revenue - accrual basis change	(227,593)
Sewer user fees and assessment receivable - accrual basis change	170,656
Sewer user fees and assessment interest receivable - accrual basis change	6,704
Deferred outflows related to changes in pension	367,211
Deferred outflows related to OPEB changes	2,087,654

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	4,155,000
Note payments	1,444,562
Issuance of bonds and notes	(13,500,000)
Premium on bonds	(574,216)
Capital lease payments	957,745
Issuance of capital lease	(778,480)

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	(373,777)
Accrued interest	(92,597)
Amortization of deferred charge on refunding	(97,725)
Amortization of bond premiums	383,202
Net pension liability	445,258
Deferred inflows related to pension changes	1,387,480
Deferred inflows related to OPEB changes	290,111
Net OPEB liability	(2,520,138)

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.

523,504

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 21,425,682</u>
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The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**JUNE 30, 2020**

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	<b>Governmental Activities Internal Service Fund</b>
Current Assets:	
Cash and cash equivalents	\$ 4,718,469
Accounts receivable	<u>19,847</u>
Total assets	4,738,316
Current Liabilities:	
Accounts and other payables	<u>735,000</u>
Net Position:	
Unrestricted	\$ <u><u>4,003,316</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
Operating Revenues:	
Charges for services	\$ 13,537,791
Operating Expenses:	
Employee benefits	<u>13,025,106</u>
Operating Income	512,685
Nonoperating Revenue:	
Income on investments	<u>10,819</u>
Change in Net Position	523,504
Net Position at Beginning of Year	<u>3,479,812</u>
Net Position at End of Year	<u><u>\$ 4,003,316</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b><u>Governmental Activities Internal Service Fund</u></b>
Cash Flows from Operating Activities:	
Cash received from premiums - Town departments and agencies	\$ 13,537,791
Claims paid	<u>(12,988,536)</u>
Net cash provided by (used in) operating activities	549,255
Cash Flows from Investing Activities:	
Income from investments	<u>10,819</u>
Net Increase (Decrease) in Cash and Cash Equivalents	560,074
Cash and Cash Equivalents at Beginning of Year	<u>4,158,395</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>4,718,469</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating income (loss)	\$ <u>512,685</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in accounts receivable	113,867
Increase (decrease) in accounts and other payables	<u>(77,297)</u>
Total adjustments	<u>36,570</u>
Net Cash Provided by (Used In) Operating Activities	\$ <u><u>549,255</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2020**

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	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,010,053	\$ 1,885,486
Investments:		
Mutual funds	49,265,502	
Accounts receivable		7,143
	<hr/>	<hr/>
Total assets	50,275,555	\$ 1,892,629
	<hr/>	<hr/>
<b>Liabilities:</b>		
Accounts payable		\$ 11,102
Due to other groups		1,881,527
	<hr/>	<hr/>
Total liabilities	-	\$ 1,892,629
	<hr/>	<hr/>
<b>Net Position:</b>		
Restricted for Pension Benefits and Other Purposes	\$ 50,275,555	
	<hr/>	

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 4,321,137
Plan members	610,340
Total contributions	<u>4,931,477</u>
Investment earnings:	
Net change in fair value of investments	<u>1,953,458</u>
Total additions	<u>6,884,935</u>
Deductions:	
Benefits	4,021,514
Administration	145,393
Total deductions	<u>4,166,907</u>
Change in Net Position	2,718,028
Net Position at Beginning of Year	<u>47,557,527</u>
Net Position at End of Year	<u><u>\$ 50,275,555</u></u>

The accompanying notes are an integral part of the financial statements

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

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

### **A. Reporting Entity**

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

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

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

The Town reports the following major governmental funds:

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

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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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 liened each year prior to June 30.

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

**F. Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 for equipment, \$50,000 for improvements, and \$100,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension 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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows of resources related to pensions 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.

**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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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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.

**M. 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.

## **N. Estimates**

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

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

### **A. Budgetary Information**

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**B. Fund Deficits**

The major fund Capital Projects and the nonmajor governmental fund High School Athletic Association had a deficit fund balance of \$24,971,070 and \$6,615, respectively, at June 30, 2020. These deficits 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:

<u>Department</u>	
Town attorney	\$ 88,529

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

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

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$21,430,631 of the Town's bank balance of \$21,930,631 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 19,237,568
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,193,063</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 21,430,631</u></u>

**Cash Equivalents**

At June 30, 2020, the Town's cash equivalents amounted to \$27,795,754. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

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

\*Not rated

**Investments**

Investments as of June 30, 2020 in all funds are as follows:

<b>Investment Type</b>	<b>Fair Value</b>
Mutual funds	\$ 49,408,510



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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, 2019, 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, 2020:

	<b>June 30, 2020</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
Mutual funds	\$ 49,408,510	\$ 47,759,861	\$ 1,648,649	\$ -

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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**4. RECEIVABLES**

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

	<u>General</u>	<u>Capital Projects</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Interest	\$ 615,716	\$	\$ 97,547	\$	\$ 713,263
Taxes	1,708,778				1,708,778
Accounts	198,337		357,690	37,752	593,779
Intergovernmental		198,730		89,219	287,949
Special assessments			2,089		2,089
Gross receivables	<u>2,522,831</u>	<u>198,730</u>	<u>457,326</u>	<u>126,971</u>	<u>3,305,858</u>
Less allowance for uncollectibles:					
Taxes	<u>(393,019)</u>				<u>(393,019)</u>
Net Total Receivables	<u>\$ 2,129,812</u>	<u>\$ 198,730</u>	<u>\$ 457,326</u>	<u>\$ 126,971</u>	<u>\$ 2,912,839</u>

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

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases and Adjustments</u>	<u>Decreases and Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,376,971	\$ 106,296	\$	\$ 19,483,267
Construction in progress	64,461,847	49,967,687	(44,967,279)	69,462,255
Total capital assets not being depreciated	<u>83,838,818</u>	<u>50,073,983</u>	<u>(44,967,279)</u>	<u>88,945,522</u>
Capital assets being depreciated:				
Buildings	130,933,891	32,429,528	(11,672,853)	151,690,566
Improvements other than buildings	27,825,812	798,713		28,624,525
Furniture and equipment	23,227,930	1,783,788	(649,366)	24,362,352
Infrastructure	139,451,562	7,374,713		146,826,275
Total capital assets being depreciated	<u>321,439,195</u>	<u>42,386,742</u>	<u>(12,322,219)</u>	<u>351,503,718</u>
Less accumulated depreciation for:				
Buildings	(69,262,485)	(1,746,592)	8,754,640	(62,254,437)
Improvements other than buildings	(11,719,417)	(915,301)		(12,634,718)
Furniture and equipment	(16,305,133)	(1,100,495)	590,522	(16,815,106)
Infrastructure	(65,625,464)	(1,320,080)		(66,945,544)
Total accumulated depreciation	<u>(162,912,499)</u>	<u>(5,082,468)</u>	<u>9,345,162</u>	<u>(158,649,805)</u>
Total capital assets being depreciated, net	<u>158,526,696</u>	<u>37,304,274</u>	<u>(2,977,057)</u>	<u>192,853,913</u>
Governmental Activities Capital Assets, Net	<u>\$ 242,365,514</u>	<u>\$ 87,378,257</u>	<u>\$ (47,944,336)</u>	<u>\$ 281,799,435</u>

Amount includes an adjustment to Construction in Progress of \$4,967,029 for road paving and drainage repairs that were reclassified to repairs and maintenance and not capitalized.

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

Governmental activities:	
General Government	\$ 97,337
Public Safety	783,852
Public Works	1,953,147
Culture and recreation	429,989
Human Services	30,522
Education	<u>1,787,621</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 5,082,468</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**Construction Commitments**

The Town has active construction projects as of June 30, 2020. At year end, the Town's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Road Improvement Projects	\$ 2,533,502	\$ 2,456,357
Board of Education Projects	54,161,489	11,584,685
Other Projects	22,600	327,610
Sewer Projects	126,361	113,211

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

**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, 2020 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Capital Projects Funds	\$ 1,539,721
General Fund	Nonmajor Governmental Funds	26,656
Sewer Operating Fund	General Fund	1,808,237
Nonmajor Governmental Funds	General Fund	<u>3,331,317</u>
Total		<u>\$ 6,705,931</u>

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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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:

	<b>Transfers In</b>			<b>Total</b>
	<b>General Fund</b>	<b>Capital Projects</b>	<b>Sewer Operating</b>	<b>Transfers Out</b>
Transfers out:				
General Fund	\$	\$ 2,941,621	\$	\$ 2,941,621
Sewer Operating	45,000	1,613,568		1,658,568
Nonmajor Governmental	<u>14,678</u>		<u>13,695</u>	<u>28,373</u>
Total Transfers In	\$ <u>59,678</u>	\$ <u>4,555,189</u>	\$ <u>13,695</u>	\$ <u>4,628,562</u>

## **7. LONG-TERM DEBT**

### **Changes in Long-Term Liabilities**

A schedule of long-term liabilities outstanding at June 30, 2020 is presented below:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable:					
Bonds and notes payable	\$ 71,571,146	\$ 13,500,000	\$ (5,599,562)	\$ 79,471,584	\$ 6,383,719
Premiums	<u>3,507,875</u>	<u>574,216</u>	<u>(383,202)</u>	<u>3,698,889</u>	
	75,079,021	14,074,216	(5,982,764)	83,170,473	6,383,719
Capital leases	3,364,319	778,480	(957,745)	3,185,054	1,019,193
Compensated absences	8,622,127	373,777		8,995,904	2,082,976
Net OPEB liability	6,904,656	2,520,138		9,424,794	
Net pension liability	<u>16,766,445</u>		<u>(445,258)</u>	<u>16,321,187</u>	
Total Governmental Activities					
Long-Term Liabilities	\$ <u>110,736,568</u>	\$ <u>17,746,611</u>	\$ <u>(7,385,767)</u>	\$ <u>121,097,412</u>	\$ <u>9,485,888</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**  
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Bonds and notes payable at June 30, 2020 comprise the following:

<b>Description</b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Interest Rate (%)</b>	<b>Amount of Original Issue</b>	<b>Balance Outstanding June 30, 2020</b>
General Purpose:					
Improvement bond	2/15/2012	2/15/2022	1.0-2.0%	\$ 2,000,000	\$ 400,000
Refunding bond	6/4/2014	8/15/2022	2.0-5.0%	4,222,000	1,450,000
Improvement bond	2/18/2015	2/15/2035	1.75-4.0%	1,900,000	1,600,000
Improvement bond	2/17/2016	2/15/2036	2.0-5.0%	3,000,000	2,520,000
Improvement bond	2/15/2017	2/15/2033	2.0-5.0%	4,000,000	2,965,000
Improvement bond	2/16/2018	2/15/2038	3.0-5.0%	4,000,000	3,790,000
Refunding bond	8/15/2017	8/15/2033	2.0-4.0%	1,862,000	1,742,000
Improvement bond	2/14/2019	2/1/2039	2.0-5.0%	750,000	715,000
Refunding bond	6/27/2019	8/1/2030	2.375-4.0%	9,155,000	9,095,000
Schools:					
Improvement bond	2/18/2015	2/15/2035	1.75-4.0%	3,260,000	2,660,000
Improvement bond	2/17/2016	2/15/2036	2.0-5.0%	1,300,000	1,105,000
Improvement bond	2/15/2017	2/15/2033	3.0-5.0%	7,860,000	5,950,000
Improvement bond	2/16/2018	2/15/2038	3.0-5.0%	7,500,000	6,740,000
Refunding bond	8/15/2017	8/15/2033	2.0-4.0%	702,000	657,000
Improvement bond	2/14/2019	2/1/2039	2.0-5.0%	4,500,000	4,285,000
Improvement bond	2/13/2020	2/1/2040	2.0-5.0%	13,500,000	13,500,000
Sewer:					
Clean Water Note Vernon	1/1/2002	7/1/2021	2%	800,000	47,968
Clean Water Note Pleasant	11/30/2005	5/31/2025	2%	402,727	113,326
Clean Water Note Submersible pump station	12/28/2006	7/1/2026	2%	1,568,029	539,731
Clean Water Note	10/31/2012	12/30/2032	2%	27,516,583	18,135,559
Refunding bond	8/15/2017	8/15/2033	2.0-4.0%	1,561,000	1,461,000
Total					<u>\$ 79,471,584</u>

The following is a schedule of future debt service requirements as of June 30, 2020:

<b>Fiscal Year Ending</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>
2021	\$ 6,383,719	\$ 2,425,224	\$ 8,808,943
2022	5,935,440	2,187,896	8,123,336
2023	5,849,357	1,954,169	7,803,526
2024	5,544,318	1,720,159	7,264,477
2025	5,467,865	1,534,418	7,002,283
2026-2030	26,493,593	5,139,212	31,632,805
2031-2035	17,317,292	1,976,627	19,293,919
2036-2040	6,480,000	438,019	6,918,019
	<u>\$ 79,471,584</u>	<u>\$ 17,375,724</u>	<u>\$ 96,847,308</u>

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

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The Town issued \$13,500,000 of general obligation bonds on February 13, 2020 for various capital improvement projects. The bonds bear interest of 2.0%-5.0% and mature on February 1, 2040.

**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:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 237,934,994	\$ 40,879,583	\$ 197,055,411
Schools	475,869,987	68,990,655	406,879,332
Sewers	396,558,323	32,020,996	364,537,327
Urban renewal	343,683,880		343,683,880
Pension deficit	317,246,658		317,246,658

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$740,242,202.

Authorized and unissued debt is as follows:

<u>Project</u>	<u>Authorized</u>	<u>Bonds/BANS</u>		<u>Authorized But Unissued</u>
		<u>Issued</u>	<u>Grants</u>	
Water Pollution Control Facility Project	\$ 47,000,000	\$ 27,516,583	\$ 7,760,005	\$ 11,723,412
Orchard Hill Elementary School Project	33,521,724	20,000,000	11,825,341	1,696,383
2014 - Road/Drainage Improvements	12,000,000	11,350,000	647,417	2,583
Eli Terry Elementary School Project	37,419,060	15,500,000	12,836,312	9,082,748
Philip R. Smith Elementary School Project	32,480,940	14,000,000	11,166,416	7,314,524
2009 Open Space Acquisitions	2,000,000	400,000		1,600,000
2018 - Road/Various Public	15,000,000	2,000,000		13,000,000
Total	\$ <u>179,421,724</u>	\$ <u>90,766,583</u>	\$ <u>44,235,491</u>	\$ <u>44,419,650</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**Capital Leases**

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

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

Cost	\$ 10,953,388
Accumulated depreciation	<u>(2,336,141)</u>
Net Leased Equipment	<u>\$ 8,617,247</u>

The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease, and the present value of the future minimum lease payments at June 30, 2020:

<u>Fiscal Year Ending</u>	
2021	\$ 1,124,180
2022	762,250
2023	551,237
2024	537,510
2025	317,198
2026-2030	185,154
Less amount representing interest	<u>(292,475)</u>
Present Value of Minimum Lease Payments	<u>\$ 3,185,054</u>

**Bond Anticipation Notes**

The Town issued bond anticipation notes on February 13, 2020 maturing on February 12, 2021 for \$18,000,000. The current interest rate on the notes is 1.75% 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, 2020:

<u>Project</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
Eli Terry Elementary School Project	2/14/2019	2/13/2020	3.00%	8,500,000		(8,500,000)	-
Philip R. Smith Elementary School Project	2/14/2019	2/13/2020	3.00%	7,500,000		(7,500,000)	-
Eli Terry Elementary School Project	2/13/2020	2/12/2021	1.75%		9,000,000		9,000,000
Philip R. Smith Elementary School Project	2/13/2020	2/12/2021	1.75%		7,000,000		7,000,000
2018 - Road/Various Public	2/13/2020	2/12/2021	1.75%		2,000,000		2,000,000
Total				<u>\$ 16,000,000</u>	<u>\$ 18,000,000</u>	<u>\$ (16,000,000)</u>	<u>\$ 18,000,000</u>



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2020 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	\$	\$	\$	\$ 20,485	\$ 20,485
Prepaid items				250	250
Restricted for:					
Education				506,907	506,907
Public safety				68,795	68,795
Public works				506,425	506,425
Health and welfare				674,610	674,610
Committed to:					
General government				344,907	344,907
Public safety				102,072	102,072
WPCA capital improvements					
Public works			1,640,062		1,640,062
Culture and recreation				962,535	962,535
Education				807,814	807,814
Capital Projects					
Tax Stabilization Program	3,094,594				3,094,594
Assigned to:					
Various capital projects					
Subsequent year's budget					
General government	41,080				41,080
Public safety	87,934				87,934
Public works	26,353				26,353
Health and welfare	7,020				7,020
Culture and recreation	1,808				1,808
Education	4,649,695				4,649,695
Unassigned	<u>22,780,140</u>	<u>(24,971,070)</u>		<u>(6,615)</u>	<u>(2,197,545)</u>
Total Fund Balances	\$ <u>30,688,624</u>	\$ <u>(24,971,070)</u>	\$ <u>1,640,062</u>	\$ <u>3,988,185</u>	\$ <u>11,345,801</u>

Significant encumbrances of \$4,813,889, \$21,115 and \$3,938 are included in the General Fund, Sewer Operating Fund and nonmajor governmental fund Recreation, respectively, at June 30, 2020.

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

### *Pension Trust Fund*

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

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

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

As of July 1, 2019, the plans' membership consisted of:

	<b>Town Plan</b>	<b>Board of Education Plan</b>
Retirees and beneficiaries currently receiving benefits	86	75
Terminated members entitled to benefits but not yet receiving them	19	17
Current active members	70	64
Total	<u>175</u>	<u>156</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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
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**Benefit Provisions**

**Town Plan**

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

**Board of Education Plan**

Employees become eligible to participate in the plan upon completing 1 year of continuous service, attaining age 21 and agreeing in writing to make required employee contributions. Employees are 100% vested after completing five years of continuous service.

**C. Funding Policy**

**Employer Contributions**

The Town is required to contribute amounts necessary to fund benefits. The Town's contributions to both plans are actuarially determined on an annual basis using the entry age normal cost method. For both plans, administrative costs are generally financed through investment earnings.

**Employee Contributions**

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

**D. Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2020:

<b>Asset Class</b>	<b>Targeted Allocation</b>
U.S. Core Fixed Income	22.00%
U.S. Bank/Leveraged Loans	4.00%
Global Bonds	4.00%
U.S. Large Caps	36.00%
U.S. Small Caps	5.00%
Foreign Developed Equity	19.00%
Emerging Markets Equity	5.00%
Global REITs	5.00%

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**Rate of Return**

For the year ended June 30, 2020, 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 3.97% and 3.93%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The components of the net pension liability of the Town and Board of Education plans at June 30, 2020 were as follows:

	<u><b>Town</b></u>	<u><b>Board of Education</b></u>
Total pension liability	\$ 45,350,359	\$ 18,212,768
Plan fiduciary net position	<u>31,758,433</u>	<u>15,483,507</u>
Net Pension Liability	<u>\$ 13,591,926</u>	<u>\$ 2,729,261</u>
Plan fiduciary net position as a percentage of the total pension liability	70%	85%

**Actuarial Assumptions**

The total pension liability for the Town and Board of Education plans were determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.7%
Salary increases	3.0%, average, including inflation
Investment rate of return	6.75% for the Town and Board of Education, net of pension plan investment expense, including inflation
Amortization Period	25 years, closed

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

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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, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Rate of Return</b>	
	<b>Town</b>	<b>BOE</b>
U.S. Core Fixed Income	2.18%	2.18%
U.S. Bank/Leveraged Loans	2.88%	2.88%
Global Bonds	0.69%	0.69%
U.S. Large Caps	3.33%	3.33%
U.S. Small Caps	3.91%	3.91%
Foreign Developed Equity	4.55%	4.55%
Emerging Markets Equity	5.43%	5.43%
Global REITs	3.91%	3.91%

**Discount Rate**

The discount rate used to measure the total pension liability for the Town and Board of Education plans was 6.75%. 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 6.75% for the Town plan did not change as of June 30, 2020.

**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 6.75%, as well as what the Town and Board of Education's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Town's Net Pension Liability	\$ 19,255,594	\$ 13,591,926	\$ 9,391,785
Board of Education's Net Pension Liability	4,579,544	2,729,261	865,633

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Changes in the Net Pension Liability

<b>Town Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2019	\$ 44,371,266	\$ 30,287,778	\$ 14,083,488
Changes for the year:			
Service cost	674,483		674,483
Interest on total pension liability	2,965,310		2,965,310
Differences between expected and actual experience	(393,226)		(393,226)
Employer contributions		2,133,752	(2,133,752)
Member contributions		437,496	(437,496)
Net investment income		1,230,917	(1,230,917)
Benefit payments, including refund to employee contributions	(2,267,474)	(2,267,474)	-
Administrative expenses		(64,036)	64,036
Net changes	979,093	1,470,655	(491,562)
Balances as of June 30, 2020	\$ 45,350,359	\$ 31,758,433	\$ 13,591,926

<b>Board of Education Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2019	\$ 17,236,471	\$ 14,553,514	\$ 2,682,957
Changes for the year:			
Service cost	437,107		437,107
Interest on total pension liability	1,152,394		1,152,394
Differences between expected and actual experience	608,927		608,927
Employer contributions		1,424,037	(1,424,037)
Member contributions		172,844	(172,844)
Net investment income (loss)		600,459	(600,459)
Benefit payments, including refund to employee contributions	(1,222,131)	(1,222,131)	-
Administrative expenses		(45,216)	45,216
Net changes	976,297	929,993	46,304
Balances as of June 30, 2020	\$ 18,212,768	\$ 15,483,507	\$ 2,729,261

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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**F. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the Town and Board of Education pension plans recognized pension expense of \$716,041 and \$641,799, respectively. At June 30, 2020, the Town and Board of Education pension plans reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Town</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 171,754	\$ 252,788
Changes of assumptions		395,899
Net difference between projected and actual earning on pension plan investments	<u>903,445</u>	
Total	<u>\$ 1,075,199</u>	<u>\$ 648,687</u>

	<b>Board of Education</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 581,966	\$
Changes of assumptions		370,719
Net difference between projected and actual earning on pension plan investments	<u>420,579</u>	
Total	<u>\$ 1,002,545</u>	<u>\$ 370,719</u>

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

<b>Year Ending June 30</b>	<b>Town</b>	<b>BOE</b>
2021	\$ (290,173)	\$ (16,429)
2022	178,772	277,769
2023	373,790	291,895
2024	164,123	78,591

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**G. Combining Financial Statements**

	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
Assets:				
Cash and cash equivalent	\$ 758,898	\$ 239,594	\$ 11,561	\$ 1,010,053
Investments, at fair value:				
Mutual funds	<u>30,999,535</u>	<u>15,243,913</u>	<u>3,022,054</u>	<u>49,265,502</u>
Total Assets	<u>\$ 31,758,433</u>	<u>\$ 15,483,507</u>	<u>\$ 3,033,615</u>	<u>\$ 50,275,555</u>
Net Position Restricted for Pension Benefits	<u>\$ 31,758,433</u>	<u>\$ 15,483,507</u>	<u>\$ 3,033,615</u>	<u>\$ 50,275,555</u>
	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
Additions:				
Contributions:				
Employer	\$ 2,133,752	\$ 1,424,037	\$ 763,348	\$ 4,321,137
Employee	<u>437,496</u>	<u>172,844</u>		<u>610,340</u>
Total contributions	2,571,248	1,596,881	763,348	4,931,477
Investment income:				
Net change in fair value of investments	<u>1,230,917</u>	<u>600,459</u>	<u>122,082</u>	<u>1,953,458</u>
Total additions	<u>3,802,165</u>	<u>2,197,340</u>	<u>885,430</u>	<u>6,884,935</u>
Deductions:				
Benefits	2,267,474	1,222,131	531,909	4,021,514
Administration	<u>64,036</u>	<u>45,216</u>	<u>36,141</u>	<u>145,393</u>
Total deductions	<u>2,331,510</u>	<u>1,267,347</u>	<u>568,050</u>	<u>4,166,907</u>
Changes in Net Position	1,470,655	929,993	317,380	2,718,028
Net Position at July 1, 2019	<u>30,287,778</u>	<u>14,553,514</u>	<u>2,716,235</u>	<u>47,557,527</u>
Net Position at June 30, 2020	<u>\$ 31,758,433</u>	<u>\$ 15,483,507</u>	<u>\$ 3,033,615</u>	<u>\$ 50,275,555</u>



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*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](http://www.ct.gov).

**B. Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**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, 2020, the amount of "on-behalf" contributions made by the State was \$10,753,391 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*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, 2020, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>142,062,712</u>
Total	\$	<u><u>142,062,712</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$17,447,722 in Exhibit II.

**E. Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	3.25 - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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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%.

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:

<b>Asset Class</b>	<b>Expected Return</b>		<b>Target Allocation</b>		<b>Standard Deviation</b>	
Public Equity - US Equity	8.10	%	20.00	%	17.00	%
Public Equity - International Developed Equity	8.50		11.00		19.00	
Public Equity - Emerging Markets Equity	10.40		9.00		24.00	
Fixed Income - Core Fixed Income	4.60		16.00		7.00	
Fixed Income - Inflation Linked Bonds	3.60		5.00		7.00	
Fixed Income - High Yield	6.50		6.00		11.00	
Fixed Income - Emerging Market Debt	5.20		5.00		11.00	
Private Equity	9.80		10.00		23.00	
Real Estate	7.00		10.00		15.00	
Alternative Investments - Real Assets	8.20		4.00		17.00	
Alternative Investments - Hedge Funds	5.40		3.00		7.00	
Liquidity Fund	2.90		1.00		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.

**H. Pension Plan Fiduciary Net Position**

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

**I. Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

*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, 2020 for these groups was \$200,170 and represented 6.0% of covered payroll. The employees' contributions were \$231,478 and represented the required 6.0% of covered payroll plus any additional contributions up to the IRS allowable maximum. The employer contribution for Town management group employees is 12.07% of earnings. The total Town contribution during the year ended June 30, 2020 for this group was \$458,124 and represented 12.07% of covered payroll. The employees' required contributions were \$175,445 and represented 4.5% of covered payroll. The authority to establish and amend contribution requirements is by the Town Council.

**D. Employer and Employee Obligations**

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

**10. OTHER POSTEMPLOYMENT BENEFITS**

*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, 2019, actuarial valuation, the entry age normal actuarial cost method was used. The ADC reflects a closed period, level percent amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 6.75% investment rate of return and inflation rate of 2.50%.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
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At July 1, 2019, plan membership consisted of the following:

Active members	836
Retired members	37
Beneficiaries	1
Spouses of retired members	<u>8</u>
Total Participants	<u><u>882</u></u>

**B. Funding Policy**

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

**Teachers and Administrators**

- Those individuals retired under the Connecticut State Teachers Retirement system shall be eligible to receive health benefits for self and spouse.
- Earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.
- 100% of premium is paid by retiree.

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

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

**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 OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Town Hall Union and Non-Bargaining (Management and Library)**

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

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

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

**C. Investments**

**Investment Policy**

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

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The Town's net OPEB liability was measured at June 30, 2020. The components of the net OPEB liability of the Town at June 30, 2020 were as follows:

	<u><b>OPEB Plan</b></u>
Total OPEB Liability	\$ 12,458,409
Plan fiduciary net position	<u>3,033,615</u>
Net OPEB Liability	<u><u>\$ 9,424,794</u></u>
Plan fiduciary net position as a percentage of the total pension liability	24.35%

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.00%, average, including inflation and graded by age for Teachers and Administrators
Investment rate of return	6.75%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	5.30-4.50% over 52 years
Amortization method	Level percent closed, 13 years for police, 18 years all others

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for males and females projected forward 19 years using Scale AA, with a 2-year age setback. This assumption includes a margin for mortality improvements beyond the valuation date.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2016.

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, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Targeted Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Core Fixed Income	22.00%	2.18%
U.S. Bank & Leveraged Loans	4.00%	2.88%
Global Bonds	4.00%	0.69%
U.S. Large Caps	36.00%	3.33%
U.S. Small Caps	5.00%	3.91%
Foreign Developed Equity	19.00%	4.55%
Emerging Markets Equity	5.00%	5.43%
Global REITs	5.00%	3.91%
	<u>100%</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.75%. 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**  
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**E. Changes in the Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 9,620,891	\$ 2,716,235	\$ 6,904,656
Changes for the year:			
Service cost	323,084		323,084
Interest on total OPEB liability	653,559		653,559
Differences between expected and actual experience	2,328,437		2,328,437
Changes in assumptions	64,347		64,347
Employer contributions		763,348	(763,348)
Net investment income (loss)		122,082	(122,082)
Benefit payments	(531,909)	(531,909)	-
Administrative expenses		(36,141)	36,141
Net changes	<u>2,837,518</u>	<u>317,380</u>	<u>2,520,138</u>
Balances as of June 30, 2020	\$ <u>12,458,409</u>	\$ <u>3,033,615</u>	\$ <u>9,424,794</u>

The liability changes include assumption changes to the discount rate, the health care 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 (5.75%) or 1 percentage point higher (7.75%) than the current discount rate:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net OPEB Liability	\$ 10,521,238	\$ 9,424,794	\$ 8,444,927

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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 (4.30% decreasing to 3.50) or 1 percentage point higher (6.30% decreasing to 5.50%) than the current healthcare cost trend rates:

	<b>1% Decrease (4.48-3.50% Over 56 Years)</b>	<b>Current Trend Rate (5.48-4.50% Over 56 Years)</b>	<b>1% Increase (6.48-5.50% Over 56 Years)</b>
Net OPEB Liability	\$ 8,204,734	\$ 9,424,794	\$ 10,833,693

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$905,721. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,044,481	\$ 1,740,662
Changes of assumptions or other inputs	200,215	
Net difference between projected and actual earnings	159,527	
Total	<u>\$ 2,404,223</u>	<u>\$ 1,740,662</u>

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

<b><u>Year Ending June 30</u></b>	
2021	\$ 82,811
2022	82,809
2023	57,279
2024	39,204
2025	25,644
Thereafter	375,814

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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*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 post employment 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](http://www.ct.gov/trb).

**B. Benefit Provisions**

There are two types of the health care 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 health care 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 health care 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 health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

**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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**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 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of Employment**

Ten or more years of Credited Service.

**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, 2020, the amount of "on-behalf" contributions made by the State was \$293,899 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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*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, 2020, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>22,155,482</u>
Total	\$ <u><u>22,155,482</u></u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$(1,621,262) in Exhibit II.

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020**

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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 (0.41%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

**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. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at [www.ct.gov](http://www.ct.gov).

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**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:

	<b>Claims Payable July 1</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Claims Payable June 30</b>
Medical Insurance Fund:				
2018-2019	\$ 1,053,000	\$ 13,680,150	\$ 13,920,853	\$ 812,297
2019-2020	812,297	13,025,106	13,102,403	735,000

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

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

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

## **12. CORONAVIRUS (COVID-19)**

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.


## **13. 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.

## **14. 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 \$1,502,873 for the year ended June 30, 2020.





## **Required Supplementary Information**

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Property Taxes:				
Current taxes	\$ 104,956,457	\$ 104,956,457	\$ 105,514,546	\$ 558,089
Delinquent taxes	770,000	770,000	1,062,452	292,452
Supplemental motor vehicles	850,000	850,000	1,181,099	331,099
Interest	500,000	500,000	779,403	279,403
Liens	5,000	5,000	4,512	(488)
Housing authority - PILOT (in lieu of taxes)	30,000	30,000	31,070	1,070
Telephone access relief	60,000	60,000	34,305	(25,695)
Total property taxes	<u>107,171,457</u>	<u>107,171,457</u>	<u>108,607,387</u>	<u>1,435,930</u>
Intergovernmental:				
State assistance - education:				
Education equalization	10,512,663	10,512,663	11,225,870	713,207
Other assistance:				
Elderly tax freeze			1,902	1,902
State in lieu of taxes	142,250	142,250	142,250	-
DOT Elderly Transportation	33,444	33,444	33,444	-
State sundry grants			29,300	29,300
Youth service grants	20,000	20,000	20,746	746
Municipal stabilization	57,854	57,854	57,854	-
Municipal grants-in-aid	1,338,190	1,338,190	1,776,486	438,296
Veterans' exemption	15,000	15,000	14,245	(755)
Total intergovernmental	<u>12,119,401</u>	<u>12,119,401</u>	<u>13,302,097</u>	<u>1,182,696</u>
Charges for Services:				
Building permits	750,000	750,000	1,346,549	596,549
Probate court rentals	8,500	8,500	9,427	927
Town Clerk fees	575,000	575,000	786,172	211,172
Planning and zoning fees	50,000	50,000	19,008	(30,992)
General government sundry	175,000	175,000	509,748	334,748
Police	24,000	24,000	19,569	(4,431)
Recycling rebate			12,944	12,944
Health permits	20,000	20,000	31,050	11,050
Engineering permits	5,000	5,000	12,460	7,460
Zoning board of appeals	1,000	1,000	650	(350)
Refuse and recycling	125,000	125,000	58,675	(66,325)
Fire Marshal fees	85,000	85,000	252,057	167,057
Total charges for services	<u>1,818,500</u>	<u>1,818,500</u>	<u>3,058,309</u>	<u>1,239,809</u>
Investment Earnings	<u>750,000</u>	<u>750,000</u>	<u>860,223</u>	<u>110,223</u>
Total Revenues	<u>121,859,358</u>	<u>121,859,358</u>	<u>125,828,016</u>	<u>3,968,658</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Other Financing Sources:				
Transfers in:				
Sewer Operating	\$ 50,000	\$ 50,000	\$ 45,000	\$ (5,000)
Library funds	17,000	17,000	14,678	(2,322)
Fund balance appropriation	<u>700,000</u>	<u>700,000</u>	<u></u>	<u>(700,000)</u>
Total other financing sources	<u>767,000</u>	<u>767,000</u>	<u>59,678</u>	<u>(707,322)</u>
Total Revenues and Other Financing Sources	<u>\$ 122,626,358</u>	<u>\$ 122,626,358</u>	125,887,694	<u>\$ 3,261,336</u>
Budgetary revenues are different from GAAP revenues because:				
Premiums on bond issuance not budgeted			574,216	
Special Ed Reserve revenue not budgeted			7,126	
Cancellation of prior year encumbrances			(176,920)	
OPEB expense from State of Connecticut			293,899	
Pension expense from State of Connecticut			<u>10,753,391</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 137,339,406</u>	

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over) Under</u>
General Government:				
Legislative:				
Town Council	\$ 184,130	\$ 199,606	\$ 199,606	\$ -
Boards and Commissions:				
Human relations commission	2,500	2,500	794	1,706
Historic district commission	1,000	1,000	271	729
Public building commission	2,000	2,000	1,287	713
South Windsor redevelopment	1,000	1,000	200	800
Inland/wetlands - conservation	7,355	7,355	2,976	4,379
Land preservation advisory	300	300		300
Open space task force	500	500		500
Juvenile firesetter commission	1,500	1,500		1,500
Park and recreation commission	4,500	4,500	3,279	1,221
Planning and zoning	9,400	9,400	7,561	1,839
Zoning board of appeals	2,900	2,900	1,081	1,819
Economic development coordinator	3,000	3,000	2,034	966
Total boards and commissions	<u>35,955</u>	<u>35,955</u>	<u>19,483</u>	<u>16,472</u>
Judicial:				
Probate court	<u>20,125</u>	<u>20,125</u>	<u>11,928</u>	<u>8,197</u>
Elections:				
Registrar of voters	<u>184,320</u>	<u>161,867</u>	<u>147,230</u>	<u>14,637</u>
Executive:				
Town manager	199,298	313,818	313,818	-
Human resources	<u>302,726</u>	<u>283,401</u>	<u>282,752</u>	<u>649</u>
Total executive	<u>502,024</u>	<u>597,219</u>	<u>596,570</u>	<u>649</u>
Community Development:				
Economic development	116,000	242,100	242,100	-
Planning department	283,385	283,385	276,568	6,817
Building department	<u>240,755</u>	<u>244,071</u>	<u>244,070</u>	<u>1</u>
Total community development	<u>640,140</u>	<u>769,556</u>	<u>762,738</u>	<u>6,818</u>
Finance:				
Assessor	303,769	286,798	276,062	10,736
Collector of revenue	223,921	210,860	197,248	13,612
Finance office	<u>365,621</u>	<u>344,984</u>	<u>342,952</u>	<u>2,032</u>
Total finance	<u>893,311</u>	<u>842,642</u>	<u>816,262</u>	<u>26,380</u>
Recording and Reporting:				
Town clerk	<u>235,108</u>	<u>237,623</u>	<u>237,622</u>	<u>1</u>
Law:				
Town attorney	<u>150,000</u>	<u>150,000</u>	<u>238,529</u>	<u>(88,529)</u>
Central Services:				
Town Hall	321,812	257,326	254,393	2,933
Information technology	1,039,583	986,564	986,564	-
175th Anniversary		6,000	207	5,793
Media	<u>22,275</u>	<u>29,220</u>	<u>28,539</u>	<u>681</u>
Total central services	<u>1,383,670</u>	<u>1,279,110</u>	<u>1,269,703</u>	<u>9,407</u>
Total general government	<u>4,228,783</u>	<u>4,293,703</u>	<u>4,299,671</u>	<u>(5,968)</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over) Under</u>
Public Safety:				
Police Protection:				
Police administration	\$ 569,497	\$ 569,497	\$ 555,792	\$ 13,705
Operations	4,286,797	4,286,797	3,957,149	329,648
Support services	1,950,177	1,937,939	1,867,668	70,271
Community services	178,108	179,499	179,499	-
Total police protection	<u>6,984,579</u>	<u>6,973,732</u>	<u>6,560,108</u>	<u>413,624</u>
Fire Protection:				
Fire marshal	264,738	248,155	234,393	13,762
Volunteer fire department	974,495	985,571	985,571	-
Hydrants and water lines	898,500	887,424	874,986	12,438
Total fire protection	<u>2,137,733</u>	<u>2,121,150</u>	<u>2,094,950</u>	<u>26,200</u>
Emergency management	<u>54,760</u>	<u>82,190</u>	<u>82,187</u>	<u>3</u>
Other protection:				
Street lights	<u>452,500</u>	<u>452,500</u>	<u>307,849</u>	<u>144,651</u>
Total public safety	<u>9,629,572</u>	<u>9,629,572</u>	<u>9,045,094</u>	<u>584,478</u>
Public Works:				
Administration:				
Management	<u>156,720</u>	<u>258,402</u>	<u>257,522</u>	<u>880</u>
Engineering:				
Technical support	<u>488,714</u>	<u>481,214</u>	<u>458,687</u>	<u>22,527</u>
Street Services:				
Highway maintenance	3,120,404	3,018,722	2,773,796	244,926
Fleet services	<u>971,242</u>	<u>971,242</u>	<u>756,865</u>	<u>214,377</u>
Total street services	<u>4,091,646</u>	<u>3,989,964</u>	<u>3,530,661</u>	<u>459,303</u>
Public Buildings:				
Building maintenance	<u>1,985,126</u>	<u>1,985,126</u>	<u>1,834,303</u>	<u>150,823</u>
Pollution Control:				
Refuse and recycling	<u>2,127,327</u>	<u>2,127,327</u>	<u>2,083,214</u>	<u>44,113</u>
Total public works	<u>8,849,533</u>	<u>8,842,033</u>	<u>8,164,387</u>	<u>677,646</u>
Human Services:				
Conservation of Health:				
Environmental health	201,398	200,749	191,982	8,767
Visiting nurse community care	<u>9,500</u>	<u>9,500</u>	<u>8,664</u>	<u>836</u>
Total conservation of health	<u>210,898</u>	<u>210,249</u>	<u>200,646</u>	<u>9,603</u>
Human service programs:				
Administration	103,201	103,201	101,618	1,583
Youth and family services	319,053	319,053	277,199	41,854
Adult and senior services	421,345	420,574	389,220	31,354
Mini-bus service	99,991	99,991	87,811	12,180
Sheltered workshops	2,697	2,697	2,697	-
Total human services programs	<u>946,287</u>	<u>945,516</u>	<u>858,545</u>	<u>86,971</u>
Total human services	<u>1,157,185</u>	<u>1,155,765</u>	<u>1,059,191</u>	<u>96,574</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over) Under</u>
Culture and Recreation:				
Recreation administration	\$ 2,136,074	\$ 2,136,074	\$ 1,961,316	\$ 174,758
Library	1,184,699	1,184,699	1,182,943	1,756
Total culture and recreation	<u>3,320,773</u>	<u>3,320,773</u>	<u>3,144,259</u>	<u>176,514</u>
Education	<u>75,399,351</u>	<u>75,399,351</u>	<u>74,699,351</u>	<u>700,000</u>
Insurance and Benefits:				
Municipal insurance:				
Insurance - casualty	<u>282,340</u>	<u>282,340</u>	<u>236,668</u>	<u>45,672</u>
Pension contributions:				
Pension	2,526,734	2,826,734	2,799,152	27,582
Social security	1,154,865	1,154,865	1,105,145	49,720
Total pension contributions	<u>3,681,599</u>	<u>3,981,599</u>	<u>3,904,297</u>	<u>77,302</u>
Health and life insurance	<u>3,819,152</u>	<u>3,369,152</u>	<u>2,936,057</u>	<u>433,095</u>
Workers' compensation	<u>426,091</u>	<u>418,386</u>	<u>381,868</u>	<u>36,518</u>
Unemployment compensation	<u>18,000</u>	<u>25,705</u>	<u>25,705</u>	<u>-</u>
Salary contingency	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total insurance and benefits	<u>8,327,182</u>	<u>8,177,182</u>	<u>7,484,595</u>	<u>692,587</u>
Other:				
Contingency	209,594	151,594	48,200	103,394
South Windsor patriotic commission	13,500	13,500	12,999	501
Cemeteries	12,000	14,000	14,000	-
Wood Memorial Library	12,500	12,500	12,500	-
Total other	<u>247,594</u>	<u>191,594</u>	<u>87,699</u>	<u>103,895</u>
Debt Service:				
Principal	5,288,655	5,348,656	5,348,656	-
Interest	<u>3,536,109</u>	<u>3,326,108</u>	<u>3,318,069</u>	<u>8,039</u>
Total debt service	<u>8,824,764</u>	<u>8,674,764</u>	<u>8,666,725</u>	<u>8,039</u>
Total expenditures	119,984,737	119,684,737	116,650,972	3,033,765
Other Financing Uses:				
Transfer out	<u>2,641,621</u>	<u>2,941,621</u>	<u>2,941,621</u>	<u>-</u>
Total	<u>\$ 122,626,358</u>	<u>\$ 122,626,358</u>	119,592,593	<u>\$ 3,033,765</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

(2,065,730)

Accrued payroll not budgeted

134,195

OPEB revenue from State of Connecticut

293,899

Pension revenue from State of Connecticut

10,753,391

Net bond issuance costs are not budgeted for

26,594

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

\$ 128,734,942

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - SEWER OPERATING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ 5,128,922	\$ 5,128,922	\$ 5,272,707	\$ 143,785
Investment income	400	400	251	(149)
Miscellaneous	177,000	177,000	215,636	38,636
Total revenues	<u>5,306,322</u>	<u>5,306,322</u>	<u>5,488,594</u>	<u>182,272</u>
Expenditures:				
Full time salaries	1,010,251	1,010,251	1,033,026	(22,775)
Overtime	113,539	113,539	92,712	20,827
Longevity	700	700	700	-
Employee benefits	498,475	498,475	445,328	53,147
Office supplies	1,600	2,619	2,290	329
Operating material	131,450	156,450	141,734	14,716
Motor vehicle supplies	27,550	17,550	8,345	9,205
Uniforms and clothing	15,750	14,731	9,926	4,805
Fleet and equipment repair	97,000	97,000	85,642	11,358
Professional	161,500	161,500	159,296	2,204
Rental and leases	33,400	33,400	25,003	8,397
Utilities	529,650	474,650	286,056	188,594
Maintenance contracts	567,100	617,100	538,622	78,478
Repair and maintenance equipment	32,000	32,000	25,815	6,185
Fees and memberships	2,670	2,670	1,560	1,110
Recruitment and training	24,200	14,200	10,126	4,074
Other purchase services	326,000	326,000	262,369	63,631
Capital projects	45,000	47,064	47,064	-
Department equipment	72,500	70,436	59,486	10,950
Boards and Commissions - Office supplies	50	50	155	(105)
Boards and Commissions - Advertising	850	850	2,157	(1,307)
Boards and commissions fees/memberships	2,000	2,000	112	1,888
Debt service	306,582	306,582	306,572	10
Total expenditures	<u>3,999,817</u>	<u>3,999,817</u>	<u>3,544,096</u>	<u>455,721</u>
Excess of Revenues over Expenditures	1,306,505	1,306,505	1,944,498	637,993
Other Financing Sources (Uses):				
Transfers in	40,000	40,000	13,695	(26,305)
Transfers out	(1,320,000)	(1,320,000)	(1,658,568)	(338,568)
Net Change in Fund Balance	<u>\$ 26,505</u>	<u>\$ 26,505</u>	299,625	<u>\$ 273,120</u>
Fund Balance at July 1, 2019			1,354,895	
Fund Balance at June 30, 2020			<u>\$ 1,654,520</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>
Balance, Budgetary Basis - June 30, 2020	\$ 5,488,594	\$ 3,544,096
Accrued payroll not budgeted		13,072
Encumbrances outstanding at June 30, 2019 liquidated and cancelled during the year ended June 30, 2020	(119,825)	53,431
Encumbrances charged to budgetary expenditures during the year ended June 30, 2020		<u>(21,115)</u>
Balance, GAAP Basis - June 30, 2020	<u>\$ 5,368,769</u>	<u>\$ 3,589,484</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability:							
Service cost	\$ 344,193	\$ 597,904	\$ 566,952	\$ 532,281	\$ 516,713	\$ 729,114	\$ 674,483
Interest	2,494,478	2,658,282	2,931,266	3,052,104	3,073,845	2,877,916	2,965,310
Differences between expected and actual experience		1,272,460	234,828	(996,542)	1,521,292	100,366	(393,226)
Changes of assumptions	3,396,197	(1,861,513)	3,242,915	1,164,263	(4,354,897)		
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)
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
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
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
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
Contributions - member	257,692	382,108	345,568	397,315	356,918	340,504	437,496
Net investment income (loss)	3,279,002	70,803	(276,685)	2,772,961	2,256,287	911,856	1,230,917
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)
Administrative expense	(75,832)	(40,061)	(72,564)	(71,177)	(90,956)	(56,241)	(64,036)
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
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
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
Net Pension Liability - Ending	\$ 13,639,202	\$ 14,066,015	\$ 19,318,187	\$ 18,150,461	\$ 14,428,688	\$ 14,083,488	\$ 13,591,926
liability	62.32%	62.26%	54.49%	59.12%	66.53%	68.26%	70.03%
Covered payroll	\$ 4,749,846	\$ 4,716,701	\$ 4,716,701	\$ 4,540,844	\$ 4,177,838	\$ 5,634,675	\$ 5,548,107
Net pension liability as a percentage of covered payroll	287.15%	298.22%	409.57%	399.72%	345.36%	249.94%	244.98%

**Notes to Schedule**

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



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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total pension liability:							
Service cost	\$ 225,029	\$ 359,500	\$ 391,848	\$ 378,717	\$ 423,746	\$ 466,647	\$ 437,107
Interest	920,994	986,463	1,108,213	1,167,003	1,174,269	1,105,965	1,152,394
Differences between expected and actual experience	543,345	460,218	28,823	(566,948)	67,085	229,078	608,927
Changes of assumptions			1,346,357	407,690	(1,226,220)		
Benefit payments, including refunds of member contributions	(655,604)	(599,078)	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)
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
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
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
Plan fiduciary net position:							
Contributions - employer	922,555	268,665	535,965	549,460	603,433	530,051	1,424,037
Contributions - member	197,927	196,719	203,726	190,579	190,968	181,837	172,844
Net investment income (loss)	1,681,148	30,643	(126,326)	1,390,852	1,093,561	495,218	600,459
Benefit payments, including refunds of member contributions	(655,604)	(599,078)	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)
Administrative expense	(43,468)	(25,907)	(42,202)	(43,369)	(49,869)	(40,352)	(45,216)
Net change in plan fiduciary net position	2,102,558	(128,958)	(71,406)	1,376,822	1,042,144	215,835	929,993
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
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
Net Pension Liability - 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>
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%
Covered payroll	\$ 3,085,477	\$ 3,122,271	\$ 3,122,271	\$ 3,274,814	\$ 3,133,452	\$ 3,897,575	\$ 4,003,396
Net pension liability as a percentage of covered payroll	16.47%	59.07%	132.86%	105.27%	65.36%	68.84%	68.17%

**Notes to Schedule**

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 1,500,972	\$ 1,583,496	\$ 1,697,994	\$ 1,686,734	\$ 1,727,470	\$ 1,727,470	\$ 1,820,733	\$ 1,956,477	\$ 1,714,348	\$ 1,733,752
Contributions in relation to the actuarially determined contribution	<u>1,278,427</u>	<u>1,343,147</u>	<u>1,697,994</u>	<u>1,867,793</u>	<u>1,727,470</u>	<u>1,727,470</u>	<u>1,820,733</u>	<u>1,956,477</u>	<u>2,856,477</u>	<u>2,133,752</u>
Contribution Deficiency (Excess)	<u>\$ 222,545</u>	<u>\$ 240,349</u>	<u>\$ -</u>	<u>\$ (181,059)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,142,129)</u>	<u>\$ (400,000)</u>
Covered payroll	\$ 5,427,342	\$ 5,337,789	\$ 5,352,711	\$ 4,749,846	\$ 4,716,701	\$ 4,716,701	\$ 4,540,844	\$ 4,177,838	\$ 5,634,675	5,548,107
Contributions as a percentage of covered payroll	23.56%	25.16%	31.72%	39.32%	36.62%	36.62%	40.10%	46.83%	50.69%	38.46%

**Notes to Schedule**

Valuation date: July 1, 2019

Measurement date: June 30, 2020

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	25 years
Asset valuation method	5-year smoothed market
Inflation	2.7%
Salary increases	3.0%
Turnover	Graded rates by age and group
Investment rate of return	6.75%
Retirement age	Earlier of Age 50 and 10 years of service, 25 years of service or Age 60 for Emergency Telecommunicators, Age 60 for Pollution and Public Works, earlier of Age 50 or 25 years of service for Police and Age 62 for all others.
Disability	Disability among active lives is discounted in advance according to a scale based on attained ages.
Spouse Benefits	80% of all participants are assumed to be married. Wives are assumed to be one year younger than their husbands.
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale BB

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 487,057	\$ 481,339	\$ 443,288	\$ 450,378	\$ 535,965	\$ 535,965	\$ 549,460	\$ 603,433	\$ 530,051	\$ 557,209
Contributions in relation to the actuarially determined contribution	<u>407,333</u>	<u>752,056</u>	<u>518,288</u>	<u>922,555</u>	<u>268,665</u>	<u>535,965</u>	<u>549,460</u>	<u>603,433</u>	<u>530,051</u>	<u>1,424,037</u>
Contribution Deficiency (Excess)	<u>\$ 79,724</u>	<u>\$ (270,717)</u>	<u>\$ (75,000)</u>	<u>\$ (472,177)</u>	<u>\$ 267,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (866,828)</u>
Covered payroll	\$ 3,652,821	\$ 3,419,019	\$ 3,012,321	\$ 3,085,477	\$ 3,122,271	\$ 3,122,271	\$ 3,274,814	\$ 3,133,452	\$ 3,897,575	\$ 4,003,396
Contributions as a percentage of covered payroll	11.15%	22.00%	17.21%	29.90%	8.60%	17.17%	16.78%	19.26%	13.60%	35.57%

**Notes to Schedule**

Valuation date: July 1, 2019  
Measurement date: June 30, 2020  
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	25 years
Asset valuation method	5-year smoothed market
Inflation	2.7%
Salary increases	3.0%
Turnover	Graded rates by age
Investment rate of return	6.75%
Retirement age	Age 60 for Custodians/Maintainers, age 62 for all others
Disability	Disability among active lives is discounted in advance according to a scale based on attained ages.
Spouse Benefits	75% of all participants are assumed to be married. Wives are assumed to be one year younger than their husbands.
Mortality	RP-2000 Combined Healthy Mortality with generational projection per Scale BB

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment							
Town Plan	16.37%	0.30%	-1.15%	11.54%	8.27%	3.09%	3.97%
Board of Education Plan	16.90%	0.26%	-1.07%	11.64%	8.31%	3.51%	3.93%

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>84,668,946</u>	<u>91,603,357</u>	<u>118,505,418</u>	<u>112,326,595</u>	<u>109,538,605</u>	<u>142,062,712</u>
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>
Town's covered payroll	\$ 54,350,173	\$ 56,460,373	\$ 57,676,185	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130
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%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	55.93%	52.00%

**Notes to Schedule**

Changes in benefit terms

HB 7424 made the following provision changes

- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.
- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.

Changes of assumptions

HB 7424 made the following assumption changes:

- Reduce the inflation assumption from 2.75% to 2.50%.
- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.
- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.
- Phase in to a level dollar amortization method for the June 30, 2024 valuation.

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed

Single equivalent amortization period

17.6 years

Asset valuation method

4-year smoothed market

Inflation

2.75%

Salary increase

3.25%-6.50%, including inflation

Investment rate of return

8.00%, net of investment related expense

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

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability:				
Service cost	\$ 300,153	\$ 241,568	248,909	\$ 323,084
Interest	752,807	781,604	624,382	653,559
Differences between expected and actual experience		(2,610,995)		2,328,437
Changes of assumptions		215,571		64,347
Benefit payments, including refunds of member contributions	(566,113)	(600,465)	(499,040)	(531,909)
Net change in total pension liability	486,847	(1,972,717)	374,251	2,837,518
Total OPEB liability - beginning	10,732,510	11,219,357	9,246,640	9,620,891
Total OPEB liability - ending	<u>11,219,357</u>	<u>9,246,640</u>	<u>9,620,891</u>	<u>12,458,409</u>
Plan fiduciary net position:				
Contributions - employer	880,974	915,326	755,791	763,348
Net investment income	11,450	27,212	79,090	122,082
Benefit payments, including refunds of member contributions	(566,113)	(600,465)	(499,040)	(531,909)
Administrative expense	(1,125)	(26,500)	(1,717)	(36,141)
Net change in plan fiduciary net position	325,186	315,573	334,124	317,380
Plan fiduciary net position - beginning	1,741,352	2,066,538	2,382,111	2,716,235
Plan fiduciary net position - ending	<u>2,066,538</u>	<u>2,382,111</u>	<u>2,716,235</u>	<u>3,033,615</u>
Net OPEB Liability - Ending	<u>\$ 9,152,819</u>	<u>\$ 6,864,529</u>	<u>\$ 6,904,656</u>	<u>\$ 9,424,794</u>
Plan fiduciary net position as a percentage of the total OPEB liability	18.42%	25.76%	28.23%	24.35%
Covered employee payroll	\$ 53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114
Net OPEB liability as a percentage of covered payroll	17.08%	12.81%	12.87%	17.57%

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution	\$ 700,000	\$ 700,000	\$ 864,000	\$ 864,000	\$ 1,007,276	\$ 1,007,276	\$ 880,974	\$ 880,974	\$ 755,791	\$ 755,791
Contributions in relation to the actuarially determined contribution	<u>700,000</u>	<u>658,000</u>	<u>864,000</u>	<u>927,000</u>	<u>1,007,276</u>	<u>1,025,696</u>	<u>880,974</u>	<u>915,326</u>	<u>755,791</u>	<u>763,348</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 42,000</u>	<u>\$ -</u>	<u>\$ (63,000)</u>	<u>\$ -</u>	<u>\$ (18,420)</u>	<u>\$ -</u>	<u>\$ (34,352)</u>	<u>\$ -</u>	<u>\$ (7,557)</u>
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 51,315,810	\$ 51,315,810	53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	1.96%	2.00%	1.64%	1.71%	1.41%	1.42%

**Notes to Schedule**

Valuation Date July 1, 2019  
Measurement date June 30, 2020  
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 5.30% - 4.5% over 52 years  
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 FOUR FISCAL YEARS**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Annual money-weighted rate of return, net of investment expense:	0.56%	1.15%	3.00%	4.19%

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



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

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Town's proportion of the net OPEB liability	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	<u>28,911,595</u>	<u>21,897,445</u>	<u>22,155,482</u>
Total	<u>\$ 28,911,595</u>	<u>\$ 21,897,445</u>	<u>\$ 22,155,482</u>
Town's covered payroll	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%

**Notes to Schedule**

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
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%

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



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



# General Fund

**General Fund**

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 40,290,946	\$ 50,323,178
Property taxes receivable (net of allowance of \$393,019 in 2020 and \$483,677 in 2019)	1,315,759	1,619,262
Intergovernmental receivables		12,895
Other accounts receivable	814,053	978,608
Due from other funds	1,566,377	16,584
Prepaid items		13,500
	<u>                    </u>	<u>                    </u>
Total Assets	\$ <u>43,987,135</u>	\$ <u>52,964,027</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 2,548,993	\$ 2,628,470
Due to other funds	5,139,554	23,635,381
Total liabilities	<u>7,688,547</u>	<u>26,263,851</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	1,817,348	2,287,145
Advance property tax collections	3,792,616	2,328,871
Total deferred inflows of resources	<u>5,609,964</u>	<u>4,616,016</u>
Fund balance:		
Nonspendable		13,500
Committed	3,094,594	3,000,000
Assigned	4,813,890	3,825,079
Unassigned	22,780,140	15,245,581
Total fund balance	<u>30,688,624</u>	<u>22,084,160</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>43,987,135</u>	\$ <u>52,964,027</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2020**

Grand List	Uncollected Taxes	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes
	July 1, 2019	Additions	Deductions			Taxes	Interest	Total	June 30, 2020
2018	\$ 107,572,464	\$ 207,197	\$ 395,923	\$	\$ 107,383,738	\$ 106,637,974	\$ 218,501	\$ 106,856,475	\$ 745,764
2017	782,381	139,470	71,809		850,042	572,554	116,124	688,678	277,488
2016	410,832	141,719	55,651		496,900	284,798	105,922	390,720	212,102
2015	319,132	124,123	44,369		398,886	218,247	118,659	336,906	180,639
2014	117,982		13,699		104,283	59,280	40,184	99,464	45,003
2013	90,555		13,178		77,377	43,012	39,605	82,617	34,365
2012	82,846		12,979		69,867	33,613	26,887	60,500	36,254
2011	64,749	60	9,546		55,263	21,356	28,312	49,668	33,907
2010	53,555	62	9,335		44,282	7,275	10,373	17,648	37,007
2009	43,463	207	9,336		34,334	6,093	10,148	16,241	28,241
2008	35,537		9,030		26,507	4,401	6,935	11,336	22,106
2007	30,180		7,708		22,472	1,185	8,713	9,898	21,287
2006	22,100		4,486		17,614	3,004	18,173	21,177	14,610
2005	17,213				17,213	6,862	18,251	25,113	10,351
2004	16,392				16,392	6,738	17,128	23,866	9,654
2003	16,022		16,022					-	-
	\$ 109,675,403	\$ 612,838	\$ 673,071	\$ -	\$ 109,615,170	\$ 107,906,392	\$ 783,915	108,690,307	\$ 1,708,778

Property taxes receivable considered available:

June 30, 2019

(175,426)

June 30, 2020

114,126

Total Property Tax Revenue

\$ 108,629,007



# **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.

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

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

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

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

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



**TOWN OF SOUTH WINDSOR, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	Special Revenue Funds						
	<u>Town Aid Road</u>	<u>Small Cities</u>	<u>Animal Control</u>	<u>Town Hall Grants</u>	<u>Public Works Funds</u>	<u>Police Funds</u>	<u>Fees in Lieu of Open Space</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 6	\$	\$	\$	\$ 1,370	\$
Investments							
Receivables:							
Accounts receivable				89	1,332		
Grants and contracts receivable						(416)	
Due from other funds	601,008		73,026	143,259	105,299	67,758	55,893
Other assets							
Total Assets	<u>\$ 601,008</u>	<u>\$ 6</u>	<u>\$ 73,026</u>	<u>\$ 143,348</u>	<u>\$ 106,631</u>	<u>\$ 68,712</u>	<u>\$ 55,893</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 94,586	\$	\$ 9,320	\$ 1,000	\$	\$	\$
Due to other funds		3					
Unearned revenue							
Total liabilities	<u>94,586</u>	<u>3</u>	<u>9,320</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable							
Restricted	506,422	3		142,348	106,631	68,712	
Committed			63,706				55,893
Unassigned							
Total fund balances	<u>506,422</u>	<u>3</u>	<u>63,706</u>	<u>142,348</u>	<u>106,631</u>	<u>68,712</u>	<u>55,893</u>
Total Liabilities and Fund Balances	<u>\$ 601,008</u>	<u>\$ 6</u>	<u>\$ 73,026</u>	<u>\$ 143,348</u>	<u>\$ 106,631</u>	<u>\$ 68,712</u>	<u>\$ 55,893</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

	Special Revenue Funds						
	Library	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodations	Scholarship Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 62,502	\$ 31,917	\$ 60,696	\$ 149,475	\$ 337,144	\$ 83,458	\$ 243,396
Investments	143,008						
Receivables:							
Accounts receivable			5,000			1,228	
Grants and contracts receivable				26,094	63,541		
Due from other funds		808,040		400,455			
Other assets				250	20,485		
Total Assets	<u>\$ 205,510</u>	<u>\$ 839,957</u>	<u>\$ 65,696</u>	<u>\$ 576,274</u>	<u>\$ 421,170</u>	<u>\$ 84,686</u>	<u>\$ 243,396</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$	\$ 58,163	\$ 1,632	\$ 66,717	\$ 52,489	\$ 56,723	\$
Due to other funds			12,420		7,618		
Unearned revenue		24,769		2,400	122,021	4,675	
Total liabilities	<u>-</u>	<u>82,932</u>	<u>14,052</u>	<u>69,117</u>	<u>182,128</u>	<u>61,398</u>	<u>-</u>
Fund Balances:							
Nonspendable				250	20,485		
Restricted				506,907			
Committed	205,510	757,025	51,644		218,557	23,288	243,396
Unassigned							
Total fund balances	<u>205,510</u>	<u>757,025</u>	<u>51,644</u>	<u>507,157</u>	<u>239,042</u>	<u>23,288</u>	<u>243,396</u>
Total Liabilities and Fund Balances	<u>\$ 205,510</u>	<u>\$ 839,957</u>	<u>\$ 65,696</u>	<u>\$ 576,274</u>	<u>\$ 421,170</u>	<u>\$ 84,686</u>	<u>\$ 243,396</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	High School Athletic Association	Human Services Fund	Community Use of Buildings	Fire Marshall Fund	Regional Animal Shelter	IT Reserve Fund	
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$ 200	\$	\$ 970,164
Investments							143,008
Receivables:							
Accounts receivable			3,113				10,762
Grants and contracts receivable							89,219
Due from other funds		434,117	267,816	83	38,293	336,270	3,331,317
Other assets							20,735
Total Assets	\$ -	\$ 434,117	\$ 270,929	\$ 83	\$ 38,493	\$ 336,270	\$ 4,565,205
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$	\$ 8,486	\$	\$	\$ 127	\$ 47,256	\$ 396,499
Due to other funds	6,615						26,656
Unearned revenue							153,865
Total liabilities	6,615	8,486	-	-	127	47,256	577,020
Fund Balances:							
Nonspendable							20,735
Restricted		425,631		83			1,756,737
Committed			270,929		38,366	289,014	2,217,328
Unassigned	(6,615)						(6,615)
Total fund balances	(6,615)	425,631	270,929	83	38,366	289,014	3,988,185
Total Liabilities and Fund Balances	\$ -	\$ 434,117	\$ 270,929	\$ 83	\$ 38,493	\$ 336,270	\$ 4,565,205

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds						
	Town Aid Road	Small Cities	Animal Control	Town Hall Grants	Public Works Funds	Police	Fees in Lieu of Open Space
Revenues:							
Intergovernmental	\$ 381,866	\$ 171,503	\$	\$	\$	\$ 24,917	\$
Charges for services and assessments			17,131	29,655		60,416	13,357
Investment earnings		3				11	
Miscellaneous					19,167	360	
Total revenues	<u>381,866</u>	<u>171,506</u>	<u>17,131</u>	<u>29,655</u>	<u>19,167</u>	<u>85,704</u>	<u>13,357</u>
Expenditures:							
Current:							
General government				965			
Public safety			9,456			79,460	
Public works	284,789	171,503		9,421	9,358		
Human services							
Culture and recreation							
Education							
Total expenditures	<u>284,789</u>	<u>171,503</u>	<u>9,456</u>	<u>10,386</u>	<u>9,358</u>	<u>79,460</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	97,077	3	7,675	19,269	9,809	6,244	13,357
Other Financing Uses:							
Transfer out							
Net Change in Fund Balance	97,077	3	7,675	19,269	9,809	6,244	13,357
Fund Balances at Beginning of Year	<u>409,345</u>	<u>-</u>	<u>56,031</u>	<u>123,079</u>	<u>96,822</u>	<u>62,468</u>	<u>42,536</u>
Fund Balances at End of Year	<u>\$ 506,422</u>	<u>\$ 3</u>	<u>\$ 63,706</u>	<u>\$ 142,348</u>	<u>\$ 106,631</u>	<u>\$ 68,712</u>	<u>\$ 55,893</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds						
	Library	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodations	Scholarship Fund
Revenues:							
Intergovernmental	\$ 7,272	\$	\$	\$ 3,147,792	\$ 564,060	\$	\$
Charges for services and assessments	13,427	1,743,847	88,705		709,056	740,167	
Investment earnings	16,617	561	8		208		735
Miscellaneous	28,969		1,193				
Total revenues	<u>66,285</u>	<u>1,744,408</u>	<u>89,906</u>	<u>3,147,792</u>	<u>1,273,324</u>	<u>740,167</u>	<u>735</u>
Expenditures:							
Current:							
General government							
Public safety							
Public works							
Human services							
Culture and recreation	46,087	1,857,587					
Education			85,840	3,117,827	1,297,032	724,802	24,000
Total expenditures	<u>46,087</u>	<u>1,857,587</u>	<u>85,840</u>	<u>3,117,827</u>	<u>1,297,032</u>	<u>724,802</u>	<u>24,000</u>
Excess (Deficiency) of Revenues over Expenditures	20,198	(113,179)	4,066	29,965	(23,708)	15,365	(23,265)
Other Financing Uses:							
Transfer out	<u>(14,678)</u>	<u>(13,695)</u>					
Net Change in Fund Balance	5,520	(126,874)	4,066	29,965	(23,708)	15,365	(23,265)
Fund Balances at Beginning of Year	<u>199,990</u>	<u>883,899</u>	<u>47,578</u>	<u>477,192</u>	<u>262,750</u>	<u>7,923</u>	<u>266,661</u>
Fund Balances at End of Year	<u>\$ 205,510</u>	<u>\$ 757,025</u>	<u>\$ 51,644</u>	<u>\$ 507,157</u>	<u>\$ 239,042</u>	<u>\$ 23,288</u>	<u>\$ 243,396</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	High School Athletics Association	Human Services Fund	Community Use of Buildings	Fire Marshall Fund	Regional Animal Shelter	IT Reserve Fund	
Revenues:							
Intergovernmental	\$	\$ 27,643	\$	\$	\$	\$ 62,097	\$ 4,387,150
Charges for services and assessments	21,416	150,418	66,997				3,654,592
Investment earnings	40						18,183
Miscellaneous		161,113			62,834	132,931	406,567
Total revenues	<u>21,456</u>	<u>339,174</u>	<u>66,997</u>	<u>-</u>	<u>62,834</u>	<u>195,028</u>	<u>8,466,492</u>
Expenditures:							
Current:							
General government						166,201	167,166
Public safety					46,013		134,929
Public works							475,071
Human services		299,896					299,896
Culture and recreation							1,903,674
Education	15,348		30,043				5,294,892
Total expenditures	<u>15,348</u>	<u>299,896</u>	<u>30,043</u>	<u>-</u>	<u>46,013</u>	<u>166,201</u>	<u>8,275,628</u>
Excess (Deficiency) of Revenues over Expenditures	6,108	39,278	36,954	-	16,821	28,827	190,864
Other Financing Uses:							
Transfer out							(28,373)
Net Change in Fund Balance	6,108	39,278	36,954	-	16,821	28,827	162,491
Fund Balances at Beginning of Year	(12,723)	386,353	233,975	83	21,545	260,187	3,825,694
Fund Balances at End of Year	<u>\$ (6,615)</u>	<u>\$ 425,631</u>	<u>\$ 270,929</u>	<u>\$ 83</u>	<u>\$ 38,366</u>	<u>\$ 289,014</u>	<u>\$ 3,988,185</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - RECREATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Revenues:				
Charges for services:				
Day camp	\$ 725,009	\$ 725,009	\$ 610,377	\$ (114,632)
Veterans' memorial park	369,241	369,241	174,921	(194,320)
4th R Revenue	1,026,072	1,026,072	539,173	(486,899)
Outdoor	60,490	60,490	39,786	(20,704)
Indoor	158,483	158,483	191,450	32,967
Social/cultural	90,045	90,045	88,661	(1,384)
Recreation facilities	68,835	68,835	11,804	(57,031)
Contracted Recreation Programs	310,469	310,469	65,396	(245,073)
Preschool	174,712	174,712	22,279	(152,433)
Investment income			561	561
Miscellaneous			23,458	23,458
Total revenues	<u>2,983,356</u>	<u>2,983,356</u>	<u>1,767,866</u>	<u>(1,215,490)</u>
Expenditures:				
Current:				
Day camp	766,399	766,399	558,198	208,201
4th R Personal Services	1,093,499	1,093,499	564,426	529,073
Veterans' memorial park	429,316	429,316	224,765	204,551
Outdoor	66,828	66,828	17,058	49,770
Indoor	169,848	169,848	106,336	63,512
Social/cultural	163,606	163,606	114,593	49,013
Recreation facilities	39,446	39,446	17,729	21,717
Contracted Rec Programs	308,645	308,645	208,706	99,939
Preschool	183,529	183,529	70,452	113,077
Capital projects	300	300		300
Total expenditures	<u>3,221,416</u>	<u>3,221,416</u>	<u>1,882,263</u>	<u>1,339,153</u>
Excess (Deficiency) of Revenues over Expenditures	(238,060)	(238,060)	(114,397)	123,663
Other Financing Sources (Uses):				
Transfers out			(13,695)	(13,695)
Utilization of fund balance	<u>246,673</u>	<u>246,673</u>		<u>(246,673)</u>
Net Change in Fund Balance	<u>\$ 8,613</u>	<u>\$ 8,613</u>	<u>(128,092)</u>	<u>\$ (136,705)</u>
Fund Balance at Beginning of Year			<u>908,977</u>	
Fund Balance at End of Year			<u>\$ 780,885</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>
Balance, Budgetary Basis - End of Year	\$ 1,767,866	\$ 1,882,263
Accrued payroll not budgeted		(34,561)
Encumbrances outstanding at beginning of year liquidated and cancelled during the current year	(23,458)	13,823
Encumbrances charged to budgetary expenditures during the current year		<u>(3,938)</u>
Balance, GAAP Basis - End of Year	<u>\$ 1,744,408</u>	<u>\$ 1,857,587</u>



# Fiduciary Funds



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

**Trust Funds:**

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

**Agency Funds:**

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**  
**JUNE 30, 2020**

	<b>Pension Trust Funds</b>		<b>Other Post</b>	
	<b>Town</b>	<b>Board</b>	<b>Employment</b>	
	<b>Plan</b>	<b>of Education</b>	<b>Benefit Trust</b>	<b>Total</b>
		<b>Plan</b>	<b>Fund</b>	
Assets:				
Cash and cash equivalents	\$ 758,898	\$ 239,594	\$ 11,561	\$ 1,010,053
Investments:				
Mutual funds	<u>30,999,535</u>	<u>15,243,913</u>	<u>3,022,054</u>	<u>49,265,502</u>
Total assets	<u>31,758,433</u>	<u>15,483,507</u>	<u>3,033,615</u>	<u>50,275,555</u>
Net Position:				
Restricted for Pension Benefits and Other Purposes	<u>\$ 31,758,433</u>	<u>\$ 15,483,507</u>	<u>\$ 3,033,615</u>	<u>\$ 50,275,555</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Pension Trust Funds</b>		<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
	<b>Town Plan</b>	<b>Board of Education Plan</b>		
Additions:				
Contributions:				
Employer	\$ 2,133,752	\$ 1,424,037	\$ 763,348	\$ 4,321,137
Employee	437,496	172,844		610,340
Total contributions	<u>2,571,248</u>	<u>1,596,881</u>	<u>763,348</u>	<u>4,931,477</u>
Investment income:				
Net change in fair value investments	<u>1,230,917</u>	<u>600,459</u>	<u>122,082</u>	<u>1,953,458</u>
Total additions	<u>3,802,165</u>	<u>2,197,340</u>	<u>885,430</u>	<u>6,884,935</u>
Deductions:				
Benefits	2,267,474	1,222,131	531,909	4,021,514
Administration	<u>64,036</u>	<u>45,216</u>	<u>36,141</u>	<u>145,393</u>
Total deductions	<u>2,331,510</u>	<u>1,267,347</u>	<u>568,050</u>	<u>4,166,907</u>
Changes in Net Position	1,470,655	929,993	317,380	2,718,028
Net Position at Beginning of Year	<u>30,287,778</u>	<u>14,553,514</u>	<u>2,716,235</u>	<u>47,557,527</u>
Net Position at End of Year	<u>\$ 31,758,433</u>	<u>\$ 15,483,507</u>	<u>\$ 3,033,615</u>	<u>\$ 50,275,555</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<b>School Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ 493,835	\$ 711,993	\$ 793,155	\$ 412,673
Accounts receivable	<u>1,134</u>	<u>6,009</u>		<u>7,143</u>
Total assets	<u>\$ 494,969</u>	<u>\$ 718,002</u>	<u>\$ 793,155</u>	<u>\$ 419,816</u>
Liabilities:				
Accounts payable	\$ 16,223	\$	\$ 5,121	\$ 11,102
Due to others	<u>478,746</u>	<u>718,002</u>	<u>788,034</u>	<u>408,714</u>
Total liabilities	<u>\$ 494,969</u>	<u>\$ 718,002</u>	<u>\$ 793,155</u>	<u>\$ 419,816</u>
<b>Performance Bond Fund</b>				
Assets:				
Cash and cash equivalents	<u>\$ 920,490</u>	<u>\$ 751,118</u>	<u>\$ 198,795</u>	<u>\$ 1,472,813</u>
Liabilities:				
Due to others	<u>\$ 920,490</u>	<u>\$ 751,118</u>	<u>\$ 198,795</u>	<u>\$ 1,472,813</u>
<b>Total All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 1,414,325	\$ 1,463,111	\$ 991,950	\$ 1,885,486
Accounts receivable	<u>1,134</u>	<u>6,009</u>		<u>7,143</u>
Total assets	<u>\$ 1,415,459</u>	<u>\$ 1,469,120</u>	<u>\$ 991,950</u>	<u>\$ 1,892,629</u>
Liabilities:				
Accounts payable	\$ 16,223	\$	\$ 5,121	\$ 11,102
Due to other groups	<u>1,399,236</u>	<u>1,469,120</u>	<u>986,829</u>	<u>1,881,527</u>
Total liabilities	<u>\$ 1,415,459</u>	<u>\$ 1,469,120</u>	<u>\$ 991,950</u>	<u>\$ 1,892,629</u>



## **Statistical Section**

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

<b>Contents</b>	<b>Page</b>
Financial Trends	92-95
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity	96-98
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes	
Debt Capacity	99-102
These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	103-104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	105-107
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

TABLE 1

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

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net investment in capital assets	\$ 133,875,251	\$ 118,642,281	\$ 117,808,001	\$ 603,648,675	\$ 122,049,902	\$ 121,725,879	\$ 133,891,837	\$ 149,770,014	148,370,264	\$ 177,794,273
Restricted										
Unrestricted	<u>3,127,155</u>	<u>17,107,966</u>	<u>15,450,828</u>	<u>71,828,521</u>	<u>3,142,130</u>	<u>* 3,572,905</u>	<u>* 6,257,477</u>	<u>(6,915,481)</u>	<u>9,800,292</u>	<u>1,801,965</u>
Total Governmental Activities Net Position	<u>\$ 137,002,406</u>	<u>\$ 135,750,247</u>	<u>\$ 133,258,829</u>	<u>\$ 675,477,196</u>	<u>\$ 125,192,032</u>	<u>\$ 125,298,784</u>	<u>\$ 140,149,314</u>	<u>\$ 142,854,533</u>	<u>158,170,556</u>	<u>\$ 179,596,238</u>

\* Restated for GASB 68

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

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 4,860,046	\$ 5,121,861	\$ 4,834,624	\$ 4,744,705	\$ 4,680,398	\$ 9,644,225	\$ 7,534,628	\$ 5,454,460	\$ 5,578,183	\$ 6,241,142
Public safety	9,483,051	9,125,906	9,701,599	10,466,567	10,116,105	12,259,882	11,059,584	8,991,281	11,236,537	11,561,692
Public works	13,030,693	22,845,865	20,810,758	17,311,069	18,662,827	15,648,511	15,615,857	16,594,152	17,646,682	21,897,888
Human services	1,683,719	1,793,418	1,448,173	1,496,189	1,469,110	1,516,678	1,805,965	1,842,312	1,930,710	1,756,175
Culture and recreation	6,253,473	6,551,287	5,127,771	5,170,258	5,799,240	7,649,148	5,922,105	6,558,564	6,385,948	5,998,664
Education	72,800,171	77,421,480	79,644,193	82,765,300	85,125,614	83,800,549	96,033,281	93,978,140	84,508,649	97,695,610
Debit service interest	1,091,251	1,556,829	148,247	1,608,802	1,508,063	1,619,954	1,786,532	2,020,850	2,460,980	1,943,338
Total Governmental Activities Expenses	<u>109,202,404</u>	<u>124,416,646</u>	<u>121,715,365</u>	<u>123,562,890</u>	<u>127,361,357</u>	<u>132,138,947</u>	<u>139,757,952</u>	<u>135,439,759</u>	<u>129,747,689</u>	<u>147,094,509</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	961,454	1,448,690	1,521,538	1,221,156	1,348,396	2,182,425	1,623,465	2,358,541	2,304,560	2,538,788
Public safety	70,640	122,635	116,885	94,031	146,221	187,007	151,502	315,661	211,142	351,591
Public works	3,278,559	3,780,034	4,379,717	4,285,579	4,438,121	4,501,771	5,606,794	5,170,610	5,393,886	5,821,633
Human services	50,052	71,340	86,393	87,797	100,976	208,544	354,339	313,672	481,457	211,860
Culture and recreation	1,422,871	1,583,926	1,766,873	1,635,322	2,925,417	2,519,572	2,570,164	2,311,662	2,639,450	1,747,937
Education	2,864,058	2,599,423	2,622,886	2,406,020	2,374,627	2,256,463	2,272,817	2,506,772	1,811,356	1,520,250
Operating grants and contributions:										
General government	229,750	171,502	259,305	222,531	481,542	287,925	207,271	213,749	247,800	489,405
Public safety	95,575	167,775	115,056	82,222	60,481	198,884	51,178	77,866	127,748	50,249
Public works	195,936	563,510	496,348	404,160	395,417	388,764	446,383	414,628	428,182	389,533
Human services	64,498	83,411	81,856	108,808	102,950	106,027	117,242	109,254	109,308	131,349
Culture and recreation	64,431	40,421	41,304	36,038	43,098	49,800	47,555	40,411	37,784	36,241
Education	21,068,318	22,978,222	22,502,841	24,771,275	23,165,519	24,209,031	29,522,318	29,042,520	20,644,657	31,072,260
Interest on long-term debt	45,558									
Capital grants and contributions:										
General government				170,906	75,344	71,433	1,946,226	73,676	19,038	7,300
Public safety	3,840,842	1,162,761	149,528							
Public works	18,574	173,981	7,525	759,237	310,314	1,398,722	11,130,720	3,653,882	2,689,236	12,570,710
Human services	454,151	7,673,048	1,786,113							
Culture and recreation	247,401									
Education	18,942							380,897	590,440	520,752
Total Governmental Activities Revenues	<u>34,991,610</u>	<u>42,620,679</u>	<u>35,934,168</u>	<u>36,285,082</u>	<u>35,968,423</u>	<u>38,566,368</u>	<u>56,047,974</u>	<u>46,983,801</u>	<u>37,736,044</u>	<u>57,459,858</u>
Total Governmental Activities Net Expense	<u>(74,210,794)</u>	<u>(81,795,967)</u>	<u>(85,781,197)</u>	<u>(87,277,808)</u>	<u>(91,392,934)</u>	<u>(93,572,579)</u>	<u>(83,709,978)</u>	<u>(88,455,958)</u>	<u>(92,011,645)</u>	<u>(89,634,651)</u>
General Revenues and Other:										
Changes in Net Position:										
Governmental activities:										
Property taxes	77,579,585	79,389,621	81,643,855	87,371,201	90,037,532	91,922,703	96,106,885	98,298,151	104,691,701	108,137,590
Grants and contributions not restricted to specific programs	1,342,114	1,032,892	1,515,179	1,929,166	1,532,895	1,603,494	2,146,206	1,588,901	1,588,087	2,026,181
Unrestricted investment earnings	135,226	117,606	130,745	156,863	183,329	121,033	251,754	472,021	1,047,880	896,562
Other general revenues, net	9,357	3,689			26,834	32,101	55,663			
Total Primary Government	<u>79,066,282</u>	<u>80,543,808</u>	<u>83,289,779</u>	<u>89,457,230</u>	<u>91,780,590</u>	<u>93,679,331</u>	<u>98,560,508</u>	<u>100,359,073</u>	<u>107,327,668</u>	<u>111,060,333</u>
Change in Net Position:										
Total Governmental Activities	<u>\$ 4,855,488</u>	<u>\$ (1,252,159)</u>	<u>\$ (2,491,418)</u>	<u>\$ 2,179,422</u>	<u>\$ 387,656</u>	<u>\$ 106,752</u>	<u>\$ 14,850,530</u>	<u>\$ 11,903,115</u>	<u>\$ 15,316,023</u>	<u>\$ 21,425,682</u>



TABLE 3

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

	FISCAL YEAR										
	2011	*	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:											
Nonspendable	\$ 4,836	\$	135,863	\$ 17,508	\$ 18,722	\$ 970	\$	2,442	\$ 9,307	13,500	\$
Restricted											
Committed									1,500,000	3,000,000	3,094,594
Assigned	2,940,494		1,413,432	1,616,470	1,772,742	1,527,753	2,096,625	1,621,867	1,293,331	3,825,079	4,813,890
Unassigned	3,431,794		3,504,042	5,042,748	5,238,041	5,329,639	8,035,255	9,467,497	11,247,314	15,245,581	22,780,140
Total General Fund	\$ 6,377,124	\$	5,053,337	\$ 6,676,726	\$ 7,029,505	\$ 6,858,362	\$ 10,131,880	\$ 11,091,806	\$ 14,049,952	\$ 22,084,160	\$ 30,688,624
All other governmental funds:											
Nonspendable	\$ 39,341	\$	29,687	\$ 33,293	\$ 42,355	\$ 56,678	\$ 39,488	\$ 28,426	\$ 31,054	\$ 20,485	\$ 20,735
Restricted	9,762,789		746,991	760,375	836,513	857,917	839,148	1,205,414	1,483,623	1,555,342	1,756,737
Committed	1,216,583		5,153,671	3,082,618	3,928,403	6,143,366	2,468,694	3,246,582	2,733,535	3,768,240	3,857,390
Assigned											
Unassigned	(24,679,573)		(24,089,935)	(48,018)	(282,640)	(28,482)	(3,742,300)	(4,386,400)	(9,160)	(4,261,831)	(24,977,685)
Total All Other Governmental Funds	\$ (13,660,860)	\$	(18,159,586)	\$ 3,828,268	\$ 4,524,631	\$ 7,029,479	\$ (394,970)	\$ 94,022	\$ 4,239,052	\$ 1,082,236	\$ (19,342,823)

\*In fiscal year 2011, the Town implemented GASB Statement No. 54, which requires fund balance to be reported as nonspendable, restricted, committed, assigned or unassigned. See Notes to the Financial Statements for definitions of each type of fund balance.

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

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Property taxes	\$ 77,616,815	\$ 79,552,717	\$ 81,674,471	\$ 86,482,924	\$ 89,316,302	\$ 92,999,372	\$ 95,483,270	\$ 99,981,359	\$ 105,582,085	\$ 108,607,387
Intergovernmental	28,113,379	33,780,263	26,568,233	28,191,586	25,919,136	27,782,151	45,201,620	35,062,337	25,521,402	41,835,299
Charges for goods and services	8,692,434	9,748,323	10,489,952	9,632,436	11,415,230	11,920,765	12,631,202	13,223,259	13,338,337	12,109,119
Investment earnings	128,533	108,011	125,044	150,955	61,316	111,262	242,072	459,306	1,032,556	885,783
Miscellaneous	150,105	399,235	310,672	288,393	360,338	463,547	389,669	349,326	422,353	414,168
Total revenues	<u>114,701,266</u>	<u>123,588,549</u>	<u>119,168,372</u>	<u>124,746,294</u>	<u>127,072,322</u>	<u>133,277,097</u>	<u>153,947,833</u>	<u>149,075,587</u>	<u>145,896,733</u>	<u>163,851,756</u>
Expenditures:										
Current:										
General government	3,139,276	3,049,108	3,161,756	3,438,550	3,444,744	3,560,662	3,788,541	3,798,686	4,026,834	4,569,240
Public safety	7,148,435	7,422,390	7,480,490	7,989,555	8,334,840	8,320,505	8,764,069	9,217,176	9,136,196	9,198,231
Public works	9,629,119	9,749,410	10,946,524	10,675,686	10,975,854	11,143,679	11,983,196	11,747,331	12,651,109	12,247,581
Human services	1,005,973	1,098,224	1,078,348	1,090,749	1,088,900	1,121,246	1,423,516	1,415,836	1,588,450	1,356,756
Culture and recreation	3,809,077	4,231,557	4,193,506	4,445,705	4,710,096	4,946,672	4,964,347	5,330,618	5,474,184	5,153,040
Insurance and sundry	5,601,532	5,856,476	6,090,641	6,630,836	6,467,843	6,556,833	6,340,930	6,708,737	7,459,924	7,592,362
Education	73,212,843	77,665,214	77,187,320	82,367,010	81,650,067	83,381,512	91,479,612	91,736,872	82,483,400	88,847,904
Capital outlay	5,114,605	5,043,160	4,418,905	5,598,435	6,255,201	18,260,516	28,899,903	14,141,482	16,101,606	52,866,614
Debit service:										
Principal	3,455,000	2,955,000	3,080,000	3,697,484	4,200,646	4,199,274	4,538,380	5,062,972	4,968,061	5,348,656
Interest	19,456,574	14,909,364	5,199,178	4,082,781	2,978,753	2,675,623	2,827,201	3,408,213	3,410,034	3,344,663
Total expenditures	<u>131,572,434</u>	<u>131,979,903</u>	<u>122,836,668</u>	<u>130,016,791</u>	<u>130,106,944</u>	<u>144,166,522</u>	<u>165,009,695</u>	<u>152,567,923</u>	<u>147,299,798</u>	<u>190,525,047</u>
Deficiency of Revenues over Expenditures	<u>(16,871,168)</u>	<u>(8,391,354)</u>	<u>(3,668,296)</u>	<u>(5,270,497)</u>	<u>(3,034,622)</u>	<u>(10,889,425)</u>	<u>(11,061,862)</u>	<u>(3,492,336)</u>	<u>(1,403,065)</u>	<u>(26,673,291)</u>
Other Financing Sources:										
Proceeds from bond refunding	9,650,000	15,185,000	27,516,583	6,615,000	5,160,000			4,125,000	9,155,000	-
Premium on bonds	76,917	1,112,007		731,924	78,540	207,067	739,043	524,383	1,718,700	574,216
Payments to escrow agents		(15,912,713)		(7,163,837)				(5,567,886)	(10,623,910)	-
Proceeds from bonds issued		2,000,000		6,320,000		4,300,000	11,860,000	11,500,000	5,250,000	13,500,000
Proceeds from leases	102,103	684,547	363,951	480,552	826,352	2,946,407	477,850	881,013	514,134	778,480
Transfers in	1,207,649	736,818	1,305,972	1,183,689	2,000,812	1,761,537	2,080,018	3,656,753	3,308,978	4,628,562
Transfers out	(1,324,152)	(1,236,818)	(1,906,972)	(1,847,689)	(2,697,372)	(2,476,517)	(2,646,131)	(4,257,218)	(3,308,978)	(4,628,562)
Total other financing sources	<u>9,712,517</u>	<u>2,568,841</u>	<u>27,279,534</u>	<u>6,319,639</u>	<u>5,368,332</u>	<u>6,738,494</u>	<u>12,510,780</u>	<u>10,862,045</u>	<u>6,013,924</u>	<u>14,852,696</u>
Net Change in Fund Balances	(7,158,651)	(5,822,513)	23,611,238	1,049,142	2,333,710	(4,150,931)	1,448,918	7,369,709	4,610,859	(11,820,595)
Fund Balance at Beginning of Year	<u>(125,085)</u>	<u>(7,283,736)</u>	<u>(13,106,249)</u>	<u>10,504,989</u>	<u>11,554,131</u>	<u>13,887,841</u>	<u>9,736,910</u>	<u>11,185,828</u>	<u>18,555,537</u>	<u>23,166,396</u>
Fund Balance at End of Year	<u>\$ (7,283,736)</u>	<u>\$ (13,106,249)</u>	<u>\$ 10,504,989</u>	<u>\$ 11,554,131</u>	<u>\$ 13,887,841</u>	<u>\$ 9,736,910</u>	<u>\$ 11,185,828</u>	<u>\$ 18,555,537</u>	<u>\$ 23,166,396</u>	<u>\$ 11,345,801</u>
Debt Service as a Percentage to Noncapital Expenditures	21.02%	14.52%	6.85%	6.30%	5.75%	5.40%	5.43%	6.21%	6.34%	8.71%

TABLE 5

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b> <sup>(1)</sup>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Less Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b> <sup>(4)</sup>
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 <sup>(2)</sup>	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	<sup>(3)</sup> 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	<sup>(3)</sup> 3,292,099,671
2016	1,669,743,361	469,200,191	261,120,500	217,444,060	112,726,620	2,262,827,391	36.54	3,232,610,559
2015	1,681,317,099	465,985,750	287,829,500	216,945,460	119,194,329	2,536,097,921	35.51	3,622,997,030
2014 <sup>(2)</sup>	1,676,514,846	439,529,851	258,829,020	207,156,730	111,344,758	2,497,141,588	34.90	3,567,345,126
2013	1,919,649,089	437,237,200	246,646,610	208,122,550	121,055,339	2,692,892,761	29.43	3,846,989,659
2012	2,428,826,870	517,933,641	231,536,430	194,075,430	113,816,134	3,177,859,796	28.78	4,539,799,709
2011	2,416,075,791	-	237,208,005	183,710,954	106,557,257	2,730,437,493	28.34	3,900,624,990

Source: Town of South Windsor-Assessor

Note: The Town has no overlapping governments

<sup>(1)</sup> Note: 2011-2010 not separately available for commercial property

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

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

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

TABLE 6

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

Taxpayer	Nature of Business	2020			2011		
		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	\$ 100,370,450	1	3.62%	\$ 57,035,210	1	2.31%
Evergreen Walk Lifestyle Center	Retail	31,928,600	2	1.15%	30,801,300	2	1.25%
Aldi Inc.	Distribution	30,865,440	3	1.11%			
DST Output East, LLC	Services				11,737,450	5	0.48%
Dell Equipment Funding	Services	22,933,810	4	0.83%			
DCX Technology	Services	16,084,590	5	0.58%			
South Windsor Developers, LLC	Services	13,368,850	6	0.48%			
Macy's Retail Holdings, LLC	Real Estate				15,193,140	3	0.62%
Town Center of South Windsor	Retail	13,023,700	7	0.47%	13,057,600	4	0.53%
Yankee Gas Services	Utility	12,992,070	8	0.47%			
Connecticut Water Co.	Utility				11,687,490	6	0.47%
WIM Core Portfolio	Utility	12,798,400	9	0.46%			
432 Buckland Court	Retail	11,586,100	10	0.42%	9,909,850	9	0.40%
Target Corp.					11,040,050	8	0.45%
Lowes Home Center					9,603,700	10	0.39%
Evergreen Walk, LLC					11,182,500	7	0.45%
Total		\$ 265,952,010		9.60%	\$ 181,248,290		7.34%

TABLE 7

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

Fiscal Year Ending 6/30	Taxable Grand List	Tax Rate (In Mills)	Adjusted Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Adjusted Levy		Amount	Percent of Adjusted Levy
2020	\$ 2,772,521,755	38.50 <sup>(1)</sup>	\$ 107,383,738	\$ 106,637,974	99.31%	\$ -	106,637,974	99.31%
2019	2,748,845,292	37.67 <sup>(1)</sup>	103,762,190	102,979,809	99.25%	572,553	103,552,362	99.80%
2018	2,602,708,150	38.08/37.00 <sup>(1)</sup>	99,320,301	98,275,075	98.95%	1,000,823	99,275,898	99.96%
2017	2,520,505,015	37.34/37.00 <sup>(1)</sup>	95,525,838	94,247,010	98.66%	1,278,828	95,525,838	100.00%
2016	2,501,567,051	36.54	91,894,135	90,891,340	98.91%	760,539	91,651,879	99.74%
2015	2,506,427,581	35.51	89,399,738	87,965,832	98.40%	1,227,141	89,192,973	99.77%
2014	2,468,393,038	34.90	86,279,650	85,042,713	98.57%	1,186,296	86,229,009	99.94%
2013	2,771,296,551	29.43	81,652,659	80,566,157	98.67%	1,041,270	81,607,427	99.94%
2012	2,740,622,596	28.78	78,796,861	77,752,911	98.68%	1,002,925	78,755,836	99.95%
2011	2,731,391,588	28.34	77,518,490	76,539,598	98.74%	941,521	77,481,119	99.95%

Source: Town of South Windsor-Tax Collector

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

TABLE 8

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<sup>(1)</sup>	<b>Clean Water Fund Bonds</b>	<sup>(2)</sup>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Ratio of Debt to Estimated Taxable Value of Property</b>	<sup>(3)</sup>	<b>Debt Per Capita</b>	<sup>(4)</sup>	<b>Total Debt Outstanding as a Percentage of personal Income</b>	<sup>(5)</sup>
2020	\$ 59,174,000	\$	20,297,584	\$	3,185,056	\$ 82,656,640	2.09%	\$	3,201		0.05%	
2019	49,729,000		21,842,146		3,364,319	74,935,465	1.91%		2,904		0.05%	
2018	49,324,000		23,353,127		3,825,260	76,502,387	2.06%		2,965		0.05%	
2017	43,160,000		24,765,093		3,734,926	71,660,019	2.18%		2,777		0.05%	
2016	34,620,000		26,210,009		4,107,494	64,937,503	2.01%		2,518		0.06%	
2015	33,325,000		27,571,991		2,000,484	62,897,475	1.74%		2,439		0.06%	
2014	31,195,000		28,907,027		1,542,849	61,644,876	1.73%		2,389		0.06%	
2013	29,455,000		28,465,648		1,408,217	59,328,865	1.54%		2,296		0.06%	
2012	32,535,000		1,956,111		1,322,737	35,813,848	0.79%		1,387		0.11%	
2011	33,080,000		2,110,939		866,554	36,057,493	0.92%		1,399		0.11%	

Source: Town of South Windsor-Finance.

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

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

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

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

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

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

TABLE 9

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

<b>Fiscal Year</b>	<b>Population</b>	<sup>(1)</sup>	<b>Assessed Value of Property</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Debt to Estimated Taxable Value of Property</b>	<b>Debt Per Capita</b>	<b>Total Debt Outstanding as a Percentage of personal Income</b>
2020	25,806	\$	2,769,082,939	\$ 79,471,584	2.87%	\$ 3,080	0.00%
2019	25,806		2,748,845,292	71,571,146	2.60%	2,773	0.14%
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%
2012	25,812		3,177,859,796	34,491,111	1.09%	1,336	0.29%
2011	25,779		2,730,437,493	35,190,939	1.29%	1,365	0.28%

Source: Town of South Windsor-Finance.

<sup>(1)</sup> 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 543,682,512	\$ 555,337,279	\$ 572,155,955	\$ 603,648,675	\$ 624,631,371	\$ 650,125,903	\$ 668,710,378	\$ 668,710,378	\$ 698,350,135	\$ 740,242,202
Total net debt applicable to limit	<u>77,233,983</u>	<u>85,056,162</u>	<u>73,402,142</u>	<u>71,828,521</u>	<u>72,623,485</u>	<u>92,608,657</u>	<u>83,858,275</u>	<u>86,405,900</u>	<u>132,490,796</u>	<u>141,891,234</u>
Legal Debt Margin	<u>\$ 466,448,529</u>	<u>\$ 470,281,117</u>	<u>\$ 498,753,813</u>	<u>\$ 531,820,154</u>	<u>\$ 552,007,886</u>	<u>\$ 557,517,246</u>	<u>\$ 584,852,103</u>	<u>\$ 582,304,478</u>	<u>\$ 565,859,339</u>	<u>\$ 598,350,968</u>
Total net debt applicable to the limit as a percentage of debt limit	14.21%	15.32%	12.83%	11.90%	11.63%	14.24%	12.54%	12.92%	18.97%	19.17%

**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 2020 debt limit can be found on Table 11 of this report.



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Total tax collections (including interest and lien fees) received by Treasurer for the year ended June 30, 2019

\$ 105,748,886

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 237,934,994	\$	\$	\$	\$
4-1/2 times base		475,869,987			
3-3/4 times base			396,558,323		
3-1/4 times base				343,683,880	
3 times base					317,246,658
Total debt limitation	<u>237,934,994</u>	<u>475,869,987</u>	<u>396,558,323</u>	<u>343,683,880</u>	<u>317,246,658</u>
Indebtedness:					
Bonds payable	24,277,000	34,897,000	1,461,000		
Bond anticipation notes	2,000,000	16,000,000			
CWF notes payable			18,836,584		
Authorized, unissued bonds	<u>14,602,583</u>	<u>18,093,655</u>	<u>11,723,412</u>		
Total indebtedness	<u>40,879,583</u>	<u>68,990,655</u>	<u>32,020,996</u>	-	-
Net indebtedness	<u>40,879,583</u>	<u>68,990,655</u>	<u>32,020,996</u>	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	\$ <u>197,055,411</u>	\$ <u>406,879,332</u>	\$ <u>364,537,327</u>	\$ <u>343,683,880</u>	\$ <u>317,246,658</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$740,242,202)

TABLE 12

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

Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(2)</sup>	Educational Attainment		School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>
					High School	Bachelors Degree		
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%
2012	25,812	38,505	99,774	43.3	92.6	44.6	4,288	6.3%
2011	25,779	38,505	99,774	43.3	92.6	44.6	4,485	6.3%

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

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

<sup>(3)</sup> Town of South Windsor, Board of Education

<sup>(4)</sup> 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	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of South Windsor	Municipality	891	1	6.58%	811	1	6.18%
DST Output	Services	650	2	4.80%	500	2	3.81%
Ticket Network	Services	441	3	3.26%	-	-	-
The May Company	Distributor	389	4	2.87%	400	3	3.05%
Gerber Scientific	Manufacturing	-	-	-	259	4	1.97%
Doosan Fuel Cell America	Manufacturing	320	5	2.36%	-	-	-
Target Department Stores	Retailing	250	6	1.85%	150	6	1.14%
Super Stop & Shop	Retailing	221	7	1.63%	-	-	-
Performance Food Group	Distributor	183	8	1.35%	-	-	-
Lowe's Home Improvement	Retailing	170	9	1.25%	150	7	1.14%
Electro Methods	Manufacturing	155	10	1.14%	210	5	1.60%
HPC Food Services	Wholesaler	-	-	-	140	8	1.07%
Eastern CT Health Network	Medical	-	-	-	130	9	0.99%
Pioneer Aerospace	Manufacturing	-	-	-	100	10	0.76%
Total		3,670		27.09%	2,850		21.71%

TABLE 14

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b><u>Function/Program</u></b>										
General government										
Town Manager's Office	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Registrar of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	4.0	4.0
Finance and taxation	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	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	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0	5.0
Public Safety	60.0	58.0	58.0	54.0	54.0	54.0	54.0	52.0	54.0	52.0
Public Works	50.0	50.0	49.0	47.0	47.0	47.0	47.0	45.0	48.0	48.0
Public Health	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Planning & Zoning	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Human Services	12.0	12.0	11.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0
Culture and Recreation	22.0	22.0	22.0	18.0	18.0	18.0	18.0	19.0	18.0	18.0
Library	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	13.0
Education	677.0	668.0	657.0	618.0	628.0	638.0	639.0	628.0	609.0	635.0
Total	869.0	857.0	843.0	801.0	810.0	811.0	802.0	787.0	811.0	825.0

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

TABLE 15

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b><u>Police</u></b>										
General service calls	28,341	27,223	30,055	32,521	28,306	33,068	33,329	34,562	44,701	35,186
Criminal Arrests	337	333	428	490	630	427	643	569	645	690
Traffic accidents	455	486	416	659	395	399	584	586	410	459
<b><u>Fire Marshal</u></b>										
Fire Investigations Completed	22	35	31	10	27	23	19	10	18	34
Inspections	1,504	1,989	1,875	1,500	1,545	2,565	1,704	850	588	627
<b><u>Public Works</u></b>										
GIS Dashboard Requests*	1,050	800	1,159	1,200	1,100	958	903	700	375	-
Snow Routes	17	17	22	22	20	21	21	21	21	19
Miles of Road Plowed	140	140	140	140	140	140	140	140	140	140
Road Surface Treatment Miles	13	13	21.1	6.5	6.2	4.3	5.6	2.0	1.0	7.0
Catch Basins Cleaned	2,400	1,900	2,001	1,891	1,736	1,997	2,048	1,677	2,896	815
<b><u>Health/Human Services</u></b>										
Food Service Inspections <sup>(1)</sup>	183	288	226	175	140	107	195	147	103	75
Child Care Facility Inspections	8	6	12	5	11	3	13	11	13	10
Youth Development Participants	1,648	2,456	921	901	913	1,900	2,797	600	1,899	584
Teen Center Participants	263	305	247	245	254	275	313	500	427	471
<b><u>Parks and Recreation</u></b>										
Athletic Fields Maintained	28	28	28	28	25	25	25	23	23	23
Baseball/Softball Fields maintained	16	16	16	16	16	16	16	16	16	16
<b><u>Library</u></b>										
Total Circulation	178,956	224,924	296,100	222,000	231,708	268,030	277,000	283,300	284,291	280,467
Library Sponsored Programs	543	597	857	575	568	562	433	500	487	434
<b><u>Wastewater</u></b>										
Wastewater Treated (million gallons)	908	997	824	900	817	857	909	800	808	684
Emergency Call-outs/Alarms	61	54	86	90	102	94	142	110	148	73
Miles of Sewer Line Cleaned	8	15	30	30	7.75	5.5	18.5	12.00	2.80	1.90

SOURCE: Town of South Windsor-Variou Departments

\* Information not available

<sup>(1)</sup> 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**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b><u>Function/Program</u></b>										
<b>Public safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	44	44	44	42	42	42	42	42	42	42
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	14	14	14	13	13	13	13	13	13	13
Hydrants	981	976	949	949	937	927	890	890	890	890
<b>Public works</b>										
Vehicles/Equipment	162	158	158	156	116	114	102	105	102	108
Streets (miles)	140	140	140	140	140	140	140	140	140	139.5
<b>Parks &amp; Recreation</b>										
Vehicles (road)	19	17	15	14	14	13	13	12	13	13
Acreage	957.97	957.97	840.53	840.53	840.53	840.53	840.53	812.94	812.94	812.94
Playgrounds	3	3	2	2	2	2	2	2	2	2
Athletic fields	44.5	44.5	41.5	41.5	41.5	41.5	41.5	39.5	39.5	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
<b>Public Libraries</b>										
Libraries	1	1	1	1	1	1	1	1	1	1
<b>Human Services</b>										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	7	6	5	4	4	4	4	4	3	3
<b>Education</b>										
Schools	7	6	6	7	7	7	7	7	7	7