

# TOWN OF SOUTH WINDSOR, CONNECTICUT



## **Annual Comprehensive Financial Report**

Fiscal Year Ended June 30, 2021

# **Annual Comprehensive Financial Report**

of the

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

Fiscal Year Ended June 30, 2021

Finance Department

Patricia Perry  
Director of Finance

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
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**JUNE 30, 2021**

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# **Introductory Section**



# *Town of South Windsor*

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

December 23, 2021

Mayor Elizabeth Pendleton  
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 end June 30, 2021. This report includes the Town's basic financial statements which are presented in conformity with generally accepted accounting principles ("GAAP") and have been audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. CliftonLarsonAllen LLP (CLA), Certified Public Accountants, have issued an unmodified opinion on the Town's financial statements for the year ended June 30, 21. 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. 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 4,500 students. There are more than a dozen local colleges and universities in the area for both undergraduate and graduate studies. The public-school system consists of four schools for pupils in grades K through 5, one middle school for pupils in grades 6-8 and one high school for pupils in grades 9-12. The school system is governed by a nine-member elected Board of Education.

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

## LOCAL ECONOMY

Despite the ongoing global pandemic which began in March 2020 with the onset of COVID-19 and continues to impact the world's public health response, **South Windsor** has remained financially strong and continues to attract business development investments. The Town also continues to draw new people to the area. This is in large part to the diverse business environment, an outstanding school system, several large colleges and universities nearby and numerous health care facilities. South Windsor is not alone in facing the challenges stemming from the global pandemic, and continues to reinforce fiscal stewardship, operational efficiencies, strategic investments and effective management. The Town continues to be well positioned to adapt to the ongoing pandemic while maintaining its high level of service to the community.

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

The Town has traditionally exhibited a lower unemployment rate compared to other towns in the area and this year is no exception. According to the State of CT Department of Labor, at June 30, 2021, the unemployment rate in South Windsor was 4.6% while in Hartford County it was 7.0%. The Town's unemployment rate is also significantly lower than the 2021 State annual average unemployment rate of 6.8% and national rate of 6.1%.

South Windsor's October 1, 2019 grand list, effective for the 2020-2021 fiscal year, increased 3.07% or \$75.0 million from the previous year. Growth was primarily due to increases in Real Estate and Personal Property. The 2019 net taxable grand list totals \$2.8 billion and its components are comprised of 63.59% residential, 19.24% commercial, 14.76% personal property and 8.60% motor vehicle. The Town continues to maintain a balanced mix of retail, light industry, manufacturing and retirement communities and its top ten taxpayers comprise 10.18% of the total net assessed value on the October 1, 2019 grand list. Table 6 in the Statistical Section lists details the top taxpayers. Because this list constitutes less than 15% of the total base of taxpayers, the financial distress of any one taxpayer would not impair the stability of tax revenues. The Town's property collection rate has been consistently above 99% for the past five years. Increased collection efforts resulted in a 99.23% collection rate, which exceeded the 99.0% assumed in the fiscal year 2021 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 1,070 through December 31, 2020. Notable economic Development included the following:

- Costco opened a 163,404 square foot retail facility with fueling station in Evergreen Walk;
- Home Depot now occupies a 182,000 square foot warehouse facility in the I-291 Corridor Development Zone;
- PZC has given approval for a 50,000 square foot retail space to be occupied by Whole Foods in Evergreen Walk. Three suites will be combined into one store-front with two tenants being relocated to other areas of the plaza;



- Construction was completed at the new Gateway Plaza East, LLC which now has a Chase Bank and Aldi Grocery Store; Phase II of this project is in the preliminary approval/design process for an additional 38,880 square feet of office space and 50,400 square feet of office space;
- The Learning Experience, a 10,000 square foot daycare center at Evergreen walk is now operational; and
- Chestnut Ridge, a nineteen-lot subdivision of single-family homes on Barber Hill Road is currently under construction; and
- Barry Equipment, an equipment sales, service & rental facility, is in the construction process of a 5,000 square foot building addition, 34,739 square foot storage yard and 2,463 square foot display area on John Fitch Boulevard.

## LONG TERM FINANCIAL PLANNING

In fiscal year 2021, the Town issued \$6,000,000 of anticipatory notes for the construction of the new Pleasant Valley Elementary School and road/drainage projects and \$27,000,000 in general obligation bonds to finance construction of the new Eli Terry and PR Smith elementary schools, and roadwork/drainage improvements. In the next fiscal year, the Town plans to issue debt to permanently finance the new Pleasant Valley Elementary School and roadwork / drainage improvements.

The Town maintains adequate unreserved fund balance to ensure consistent cash flow, generate interest income and offer flexibility for unanticipated opportunities. In addition, fiscally responsible budgeting 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:

- Modifications/improvements to the Garage Bays and a roof replacement were completed at the Public Works building;
- The Sullivan Avenue siphon drainage and road reconstruction projects were completed;
- The Town Hall elevator was completely overhauled and installation of the new Ellsworth elevator was completed in the fiscal year.
- The Town and BOE replaced several pieces of rolling stock including cargo vans, bucket truck, Police Interceptor vehicles and a rescue fire vehicle.
- Media upgrades were completed in several conference rooms at Town Hall and the Microsoft System upgrades have been started town-wide.

- 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 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 report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

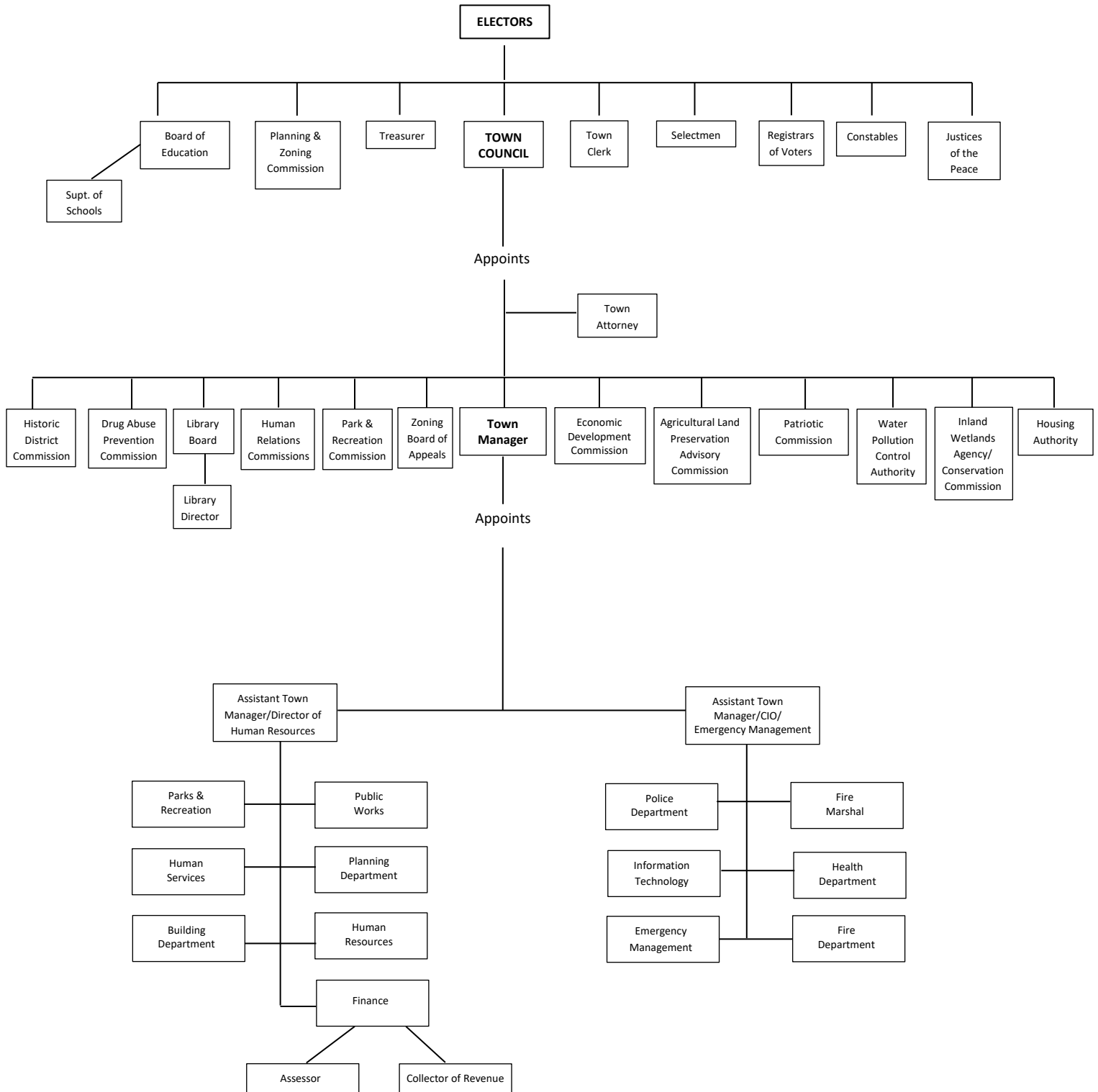
A Certificate of Achievement for the comprehensive annual financial report is valid for a period of one year only. The Town of South Windsor believes our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration once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

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. I would like to thank CliftonLarsonAllen LLP, our independent auditors, for their efforts and counsel during the audit, ACFR preparation and submission process. The continuing support of the Town Manager, Mayor and members of the Town Council, who remain committed to fiscal integrity and financial leadership, is greatly appreciated.

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

Patricia Perry  
Director of Finance

# Town of South Windsor Organizational Chart



Town of South Windsor  
Listing of Principal Officials  
June 30, 2021

TOWN COUNCIL

Andrew Paterna, Mayor

Elizabeth Pendleton, Deputy Mayor  
Erica Evans  
Steven King, Jr.  
Philip Koboski

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 Paře

ADMINISTRATION

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

TOWN DEPARTMENTS

Michael Maniscalco, Town Manager

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

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

## **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, 2021, 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of South Windsor, Connecticut, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of a Matter***

During fiscal year ended June 30, 2021, Town of South Windsor, Connecticut adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, Town of South Windsor, Connecticut reported a restatement for the change in accounting principle (see Note 17.) Our auditors' opinion was not modified with respect to the restatement.

## ***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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town 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.

Town of South Windsor, Connecticut's basic financial statements as of and for the year ended June 30, 2020 (not presented herein), were audited by Blum, Shapiro & Company, P.C. whose partners and professional staff joined CliftonLarsonAllen LLP as of January 1, 2021 and has subsequently ceased operations. Blum, Shapiro & Company, P.C.'s report thereon dated November 30, 2020, 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, 2020 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 2020 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2020 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 Blum, Shapiro & Company, P.C.'s opinion, the General Fund balance sheet was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021 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.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 23, 2021

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

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, 2021. 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 \$200.2 million an increase of \$20.2 million or 11.2% over the previous fiscal year. Of the Town's total net position at June 30, 2021, \$14.9 million is unrestricted and may be used to meet the operating needs of the Town.
- On a government wide basis, revenues totaled \$174.1 million while expenses equaled \$153.9 million.
- Total cost of all of the Town's government programs was \$20.2 million less than the generated revenues. No new programs were added this year.
- The Town bonded \$27.0 million to permanently finance construction of the new Eli Terry, and PR Smith Elementary Schools construction. In addition, the Town issued \$6.0 million in Bond Anticipation Notes to provide temporary financing for the Pleasant Valley Elementary School construction and road/drainage improvements.
- The unassigned fund balance for the General Fund was \$28.1 million or 20.7% of total General Fund expenditures.
- The Town continued most operations as normal and Town Hall remained open to the public during the fiscal year. Staff was separated but remained working. Culture/Leisure programs began to reopen in the Spring of 2021.
- The Town received \$533,150 in federal funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES) distributed through the State of CT OPM in December 2020. All funds have been spent and expenditures detailed in the State of CT OPM portal.
- The Town was allocated \$7.7 million through the American Rescue Plan Fund, half of which was received in fiscal year 2021. Planning on how to put that money to use was done in the last quarter of the fiscal year and those programs are beginning to be implemented.

**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 \$180.0 million (as restated for GASB 84) to \$200.2 million. Net position may serve over time as a useful indicator of a Town's financial position and an important determinant of its ability to finance services in the future. Town of South Windsor's total assets and deferred outflows exceeded liabilities and deferred inflows by \$20,204,790 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>2021</b>	<b>2020</b>
Current assets	\$ 66,032,851	\$ 49,487,767
Capital assets, net of accumulated depreciation	293,538,186	281,799,435
Total assets	<u>359,571,037</u>	<u>331,287,202</u>
Deferred outflows of resources	<u>4,418,852</u>	<u>4,832,332</u>
Long-term liabilities outstanding	20,260,127	28,464,486
Other liabilities	130,637,724	121,097,412
Total liabilities	<u>150,897,851</u>	<u>149,561,898</u>
Deferred inflows of resources	<u>12,882,296</u>	<u>6,552,684</u>
Net Position:		
Net investment in capital assets	181,142,167	177,794,273
Restricted	4,122,315	3,088,521
Unrestricted	<u>14,945,260</u>	<u>(877,842)</u>
Total Net Position	<u>\$ 200,209,742</u>	<u>\$ 180,004,952</u>

**TABLE 2  
CHANGE IN NET POSITION**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program revenues:		
Charges for services	\$ 11,467,265	\$ 12,192,059
Operating grants and contributions	43,338,815	32,169,037
Capital grants and contributions	6,583,653	13,098,762
General revenues:		
Property taxes	110,588,208	108,137,590
Grants and contributions not restricted to specific purposes	2,025,279	2,026,181
Unrestricted investment earnings	85,687	896,562
Other general revenues	29,560	
Total revenues	<u>174,118,467</u>	<u>168,520,191</u>
Expenses:		
General government	5,268,652	6,241,142
Public safety	11,919,633	11,561,692
Public works	18,883,042	21,897,888
Human services	1,567,870	1,756,175
Culture and recreation	5,890,752	5,998,664
Education	109,108,696	97,695,610
Debt service	1,275,032	1,943,338
Total expenses	<u>153,913,677</u>	<u>147,094,509</u>
Increase in Net Position	20,204,790	21,425,682
Beginning Net Position	179,596,238	158,170,556
Restatement	<u>408,714</u>	
Ending Net Position	<u>\$ 200,209,742</u>	<u>\$ 179,596,238</u>

As noted above, total revenues were \$174.1 million and the total cost of all programs and services was \$153.9 million. Our analysis below considers the operations of the fiscal year's governmental activities.

### **Governmental Activities**

The Town's net position increased \$20.2 million during the current fiscal year. This increase reflects total revenues generated through increased property tax revenues, and other various revenues that exceed operating costs. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements changed from \$(.8) million at June 30, 2020 to \$14.9 million at the end of this year.

For governmental activities, approximately 63.5% of the revenues were derived from Property Taxes, followed by 24.9% in Operating Grants & Contributions and 6.6% in Charges for Services.

Major revenue factors included:

- Operating Grants increased \$11.2 million 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 2021 reflect a 3.64% in grand list growth resulting in increased collections, strengthened collection policies and tax sale proceeds increased prior-year tax collections, interest and liens.
- Capital grants and contributions reflected a decrease of \$6.5 million over the previous year due to grant reimbursement requests for school construction costs including the new Eli Terry and PR Smith Elementary Schools.

For governmental activities, 70.5% of the Town's expenditures relate to education, 12.2% to public works, 7.7% to public safety, 3.4% for general government and 3.8% 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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
General government	\$ 5,268,652	\$ 6,241,142	\$ (468,279)	\$ (3,205,649)
Public safety	11,919,633	11,561,692	(11,530,617)	(11,159,852)
Public works	18,883,042	21,897,888	(6,119,841)	(3,116,012)
Human services	1,567,870	1,756,175	(1,362,059)	(1,412,966)
Culture and recreation	5,890,752	5,998,664	(4,810,350)	(4,214,486)
Education	109,108,696	97,695,610	(67,036,743)	(64,582,348)
Debt service	1,275,032	1,943,338	(1,196,055)	(1,943,338)
Total	<u>\$ 153,913,677</u>	<u>\$ 147,094,509</u>	<u>\$ (92,523,944)</u>	<u>\$ (89,634,651)</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 \$36.1 million inclusive of an unassigned fund balance of \$22.9 million.

The General Fund is the operating fund of the Town. Fund balance of the Town's General Fund increased by \$4.3 million during the current fiscal year. At June 30, 2021, unassigned fund balance of the General Fund was \$28.1 million while total fund balance was \$34.9 million. The increase in fund balance is due to greater than expected revenues for building permits, recording fees and prior-year tax collections combined with expenditure savings in General Government, Public Works and Public Safety line items.

During the year, actual revenues and other financing sources on a budgetary basis were \$127.9 million which exceeded budgetary estimates by \$3.6 million. Increased collection enforcement pushed the collection rate to 99.3% versus the budgeted collection rate of 99.0% and generated positive variances in prior-year taxes, interest and lien revenue accounts. State of Connecticut Education Grants exceeded conservative budget estimates and added \$396,307 to the positive variance. Charges for current services exceeded budget expectations by \$1.4 million primarily due to increased activity for building and fire marshal permits due to new construction and economic development, and higher Town Clerk fees.

Actual expenditures on a budgetary basis and other financing uses totaled \$122.4 million which was less than budgeted by \$1.9 million. Public Safety and Public Works and Education accounts contributed \$454,401, \$447,179 and \$232,308 respectively to the overall positive variance due to unfilled positions, overtime savings and overall cost containment.

The Town's collection rate in fiscal year 2021 was 99.3%, which is slightly higher than the average collection rate over the past five fiscal years.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

The Town of South Windsor's cumulative investment in capital assets as of June 30, 2021 totals \$293.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, enterprise-wide software, streets & sidewalks, equipment, vehicles, water & sewer systems and construction in progress. The increase in total capital assets, net of depreciation, over the prior fiscal year was \$11.7 million.

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

- Completion of a newly added elevator in the BOE Administrative Building
- Additions to CIP for Eli Terry, PR Smith and Pleasant Valley Elementary school projects
- Completion of several boiler projects at school and town buildings
- Purchase of media and software upgrades
- Purchase Public Works heavy equipment and Police Interceptor Vehicles
- Completed modifications on Public Works Garage Bays
- Construction in progress added \$16,195,636
- Depreciation expense in the amount of \$6,029,373 was recognized



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

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Land	\$ 19,483,267	\$ 19,483,267
Buildings	87,321,346	89,436,129
Improvements other than buildings	15,478,223	15,989,807
Furniture and equipment	7,903,342	7,547,246
Infrastructure	79,246,115	79,880,731
Construction in progress	84,105,893	69,462,255
Total	<u>\$ 293,538,186</u>	<u>\$ 281,799,435</u>

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

### **Long-Term Debt**

In the current year, the Town issued \$27.0 million of general obligation bonds to be financed over 20 years with interest rates ranging from 1.1% to 4.0%. The bonds will permanently finance elementary school construction, and road/drainage projects. At June 30, 2021, the Town had \$98.1 million in bonds and notes outstanding versus \$79.4 million in the previous year. All of the debt is backed by the full faith and credit of the Town.

The Town issued bond anticipation notes (BANS) in the amount of \$6.0 million for the construction of Pleasant Valley Elementary School and road/drainage projects. 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 \$58.5 million for the construction of Pleasant Valley Elementary School and \$15.0 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 \$760.1 million. As of June 30, 2021, the Town recorded total net debt of \$196.4 million, well below its statutory debt limits.

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

### **Economic Factors and Next Year's Budget**

The Town Council considered many factors when setting the fiscal year 2021-2022 budget. The financial impact of the annual budget on residents surrounding the uncertainty and economic impacts of the global pandemic was the primary concern of town officials. The Town Council adopted a policy statement to lower than annual mill rate and discontinue the use of Unassigned Fund Balance. The 2021-2022 adopted budget included a .02 mill decrease. Staff continues to monitor expense actions implemented

at the beginning of the pandemic. These actions ensure the Town is well positioned to meet fund balance goals and to maintain its general credit ratings in the future. The Town did receive a direct allocation from the Federal government specific to the “American Rescue Plan of 2021” and will be partnering with Management, Town Council and the community to utilize the funding in meaningful ways.

Highlights of the Town’s budget for the 2021-22 fiscal year include the following:

- The 2021-22 combined budgets for operating and capital programs total \$127.9 million, representing a 2.91% increase over the 2020-21 combined budget. The mill rate to support these expenditures was set at 37.86 a decrease of .02 mills.
- The primary revenue source, property taxes, is budgeted at \$110.3 million, an increase of \$3.8 million, or 3.62% primarily due to the 3.64% growth on the 10/1/2020 Grand List.
- Although the budget for sewer user charges increased slightly from \$3.8 million to \$4.9 million for the 2021-22 budget year, the individual Residential Rate remained at \$415.00 per unit.
- The 2021-22 capital budget includes 45 new and/or continuing projects totaling \$1.9 million, including roads/sidewalks, upgrades to park facilities and general public facilities projects.

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

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

# **Basic Financial Statements**

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<b>Governmental Activities</b>
Assets:	
Cash and cash equivalents	\$ 62,271,195
Investments	193,563
Receivables, net	3,388,861
Supplies	20,704
Prepaid items	89,519
Net pension asset	69,009
Capital assets not being depreciated	103,589,160
Capital assets being depreciated, net of accumulated depreciation	189,949,026
Total assets	<u>359,571,037</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	318,417
Deferred outflows related to pensions	2,171,494
Deferred outflows related to OPEB	1,928,941
Total deferred outflows of resources	<u>4,418,852</u>
Liabilities:	
Accounts payable and accrued liabilities	8,436,433
Unearned revenue	5,823,694
Notes payable	6,000,000
Noncurrent liabilities:	
Due within one year	9,760,184
Due in more than one year	120,877,540
Total liabilities	<u>150,897,851</u>
Deferred Inflows of Resources:	
Advance property tax collections	3,026,734
Deferred inflows related to pensions	7,836,794
Deferred inflows related to OPEB	2,018,768
Total deferred inflows of resources	<u>12,882,296</u>
Net Position:	
Net investment in capital assets	181,142,167
Restricted for:	
Education	2,930,537
Public Safety	140,711
Public Works	243,582
Health and Welfare	807,485
Unrestricted	<u>14,945,260</u>
Total Net Position	<u>\$ 200,209,742</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, 2021**

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	\$ 5,268,652	\$ 3,035,551	\$ 1,565,303	\$ 199,519	\$ (468,279)
Public safety	11,919,633	360,550	28,466		(11,530,617)
Public works	18,883,042	5,724,964	654,103	6,384,134	(6,119,841)
Human services	1,567,870	92,997	112,814		(1,362,059)
Culture and recreation	5,890,752	1,009,269	71,133		(4,810,350)
Education	109,108,696	1,243,934	40,828,019		(67,036,743)
Interest on long-term debt	1,275,032		78,977		(1,196,055)
Total	<u>\$ 153,913,677</u>	<u>\$ 11,467,265</u>	<u>\$ 43,338,815</u>	<u>\$ 6,583,653</u>	<u>(92,523,944)</u>
General revenues:					
Property taxes					110,588,208
Grants and contributions not restricted to specific programs					2,025,279
Unrestricted investment earnings					85,687
Miscellaneous					29,560
Total general revenues					<u>112,728,734</u>
Change in Net Position					20,204,790
Net Position at Beginning of Year as restated					<u>180,004,952</u>
Net Position at End of Year					<u>\$ 200,209,742</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sewer Operating Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 54,328,360	\$	\$ 31,445	\$	\$ 1,568,150	\$ 55,927,955
Investments					193,563	193,563
Receivables, net	2,857,497		171,164		351,968	3,380,629
Due from other funds	41,468	3,918,839	2,213,400	3,871,330	3,258,675	13,303,712
Other assets	79,619				30,693	110,312
Total Assets	<u>\$ 57,306,944</u>	<u>\$ 3,918,839</u>	<u>\$ 2,416,009</u>	<u>\$ 3,871,330</u>	<u>\$ 5,403,049</u>	<u>\$ 72,916,171</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 4,298,050	\$ 1,582,031	\$ 173,853	\$	\$ 659,055	\$ 6,712,989
Due to other funds	13,262,244				41,468	13,303,712
Notes payable		6,000,000				6,000,000
Unearned revenue		1,514,759		3,871,330	437,605	5,823,694
Total liabilities	<u>17,560,294</u>	<u>9,096,790</u>	<u>173,853</u>	<u>3,871,330</u>	<u>1,138,128</u>	<u>31,840,395</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	1,493,854					1,493,854
Unavailable revenue - sewer use			171,164			171,164
Unavailable grant revenue	252,748					252,748
Advance property tax collections	3,026,734					3,026,734
Total deferred inflows of resources	<u>4,773,336</u>	<u>-</u>	<u>171,164</u>	<u>-</u>	<u>-</u>	<u>4,944,500</u>
Fund balances:						
Nonspendable	79,619				20,704	100,323
Restricted	1,409,700				2,712,615	4,122,315
Committed	3,200,000		2,070,992		1,531,602	6,802,594
Assigned	2,131,191					2,131,191
Unassigned	28,152,804	(5,177,951)				22,974,853
Total fund balances	<u>34,973,314</u>	<u>(5,177,951)</u>	<u>2,070,992</u>	<u>-</u>	<u>4,264,921</u>	<u>36,131,276</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 57,306,944</u>	<u>\$ 3,918,839</u>	<u>\$ 2,416,009</u>	<u>\$ 3,871,330</u>	<u>\$ 5,403,049</u>	<u>\$ 72,916,171</u>

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

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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	\$ 36,131,276
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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	\$ 458,000,795	
Less accumulated depreciation	<u>(164,462,609)</u>	
Net capital assets		293,538,186

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	830,398
Interest receivable on property taxes	663,456
Assessments and user fee receivable	113,401
Interest receivable on assessments and user fees	57,763
Unavailable grant revenue	252,748
Net pension asset	69,009
Deferred outflows related to pension	2,171,494
Deferred outflows related to OPEB	1,928,941

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

5,562,260

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	(6,391,974)
Deferred inflows related to pension	(7,836,794)
Deferred inflows related to OPEB	(2,018,768)
Bonds and notes payable	(98,137,073)
Interest payable on bonds and notes	(934,321)
Compensated absences	(8,494,963)
Capital lease	(3,058,540)
Unamortized bond premium	(6,065,896)
Net OPEB liability	(8,489,278)
Deferred charge on refunding	<u>318,417</u>

Net Position of Governmental Activities (Exhibit I)	<u><u>\$ 200,209,742</u></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, 2021**

	General	Capital Projects Fund	Sewer Operating Fund	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 110,911,702	\$	\$	\$	\$	\$ 110,911,702
Intergovernmental	24,276,250	6,538,701			6,244,451	37,059,402
Charges for services	3,367,830	148,002	5,779,005		2,669,647	11,964,484
Investment earnings	65,723		48		17,613	83,384
Miscellaneous	2,227		5,818		448,373	456,418
Total revenues	<u>138,623,732</u>	<u>6,686,703</u>	<u>5,784,871</u>	<u>-</u>	<u>9,380,084</u>	<u>160,475,390</u>
Expenditures:						
Current:						
General government	4,246,961				106,660	4,353,621
Public safety	9,383,728				105,978	9,489,706
Public works	8,245,969		3,991,385		1,390,941	13,628,295
Human services	1,053,131				191,892	1,245,023
Culture and recreation	3,454,768				1,249,600	4,704,368
Insurance and sundry	8,392,989					8,392,989
Education	89,018,537				6,337,316	95,355,853
Debt service	9,630,075	179,202				9,809,277
Capital outlay		18,800,903				18,800,903
Total expenditures	<u>133,426,158</u>	<u>18,980,105</u>	<u>3,991,385</u>	<u>-</u>	<u>9,382,387</u>	<u>165,780,035</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,197,574</u>	<u>(12,293,402)</u>	<u>1,793,486</u>	<u>-</u>	<u>(2,303)</u>	<u>(5,304,645)</u>
Other Financing Sources (Uses):						
Issuance of general obligation bonds		27,000,000				27,000,000
Issuance of refunding bonds		19,110,000				19,110,000
Payments to refunded bond escrow agent		(21,129,324)				(21,129,324)
Issuance of capital lease		1,145,209				1,145,209
Premium on refunding bonds		2,198,526				2,198,526
Premium on bond anticipation notes		78,977				78,977
Premium on general obligation bonds	1,278,018					1,278,018
Transfers in	50,437	3,683,133	25,006			3,758,576
Transfers out	(2,241,339)		(1,387,562)		(129,675)	(3,758,576)
Total other financing sources (uses)	<u>(912,884)</u>	<u>32,086,521</u>	<u>(1,362,556)</u>	<u>-</u>	<u>(129,675)</u>	<u>29,681,406</u>
Net Change in Fund Balances	4,284,690	19,793,119	430,930	-	(131,978)	24,376,761
Fund Balances at Beginning of Year, as restated	<u>30,688,624</u>	<u>(24,971,070)</u>	<u>1,640,062</u>		<u>4,396,899</u>	<u>11,754,515</u>
Fund Balances at End of Year	<u>\$ 34,973,314</u>	<u>\$ (5,177,951)</u>	<u>\$ 2,070,992</u>	<u>\$ -</u>	<u>\$ 4,264,921</u>	<u>\$ 36,131,276</u>

(Continued on next page)



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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)	\$ 24,376,761
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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	17,835,195
Depreciation expense	(6,029,373)

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. (67,071)

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	(371,234)
Property tax interest and lien revenue - accrual basis change	47,740
Sewer user fees and assessment receivable - accrual basis change	(246,378)
Sewer user fees and assessment interest receivable - accrual basis change	(39,784)
Change in unavailable grant revenue	252,748
Change in pension assets	69,009
Deferred outflows related to changes in pension	93,750
Deferred outflows related to OPEB changes	(475,282)

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	9,155,000
Note payments	18,289,511
Issuance of bonds and notes	(27,000,000)
Issuance of refunding bonds	(19,110,000)
Premium on bonds	(3,476,544)
Capital lease payments	1,271,723
Issuance of capital lease	(1,145,209)
Deferred charge on refunding	21,254

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	500,941
Accrued interest	(132,481)
Amortization of deferred charge on refunding	(53,202)
Amortization of bond premiums	1,109,537
Net pension liability	9,929,213
Deferred inflows related to pension changes	(6,817,388)
Deferred inflows related to OPEB changes	(278,106)
Net OPEB liability	935,516

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.	<u>1,558,944</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 20,204,790</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, 2021**

	<b>Governmental Activities Internal Service Fund</b>
Current Assets:	
Cash and cash equivalents	\$ 6,343,240
Accounts receivable	<u>8,560</u>
Total assets	6,351,800
Current Liabilities:	
Accounts and other payables	<u>789,540</u>
Net Position:	
Unrestricted	\$ <u><u>5,562,260</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, 2021**

	<b>Governmental Activities Internal Service Fund</b>
Operating Revenues:	
Charges for services	\$ 14,491,975
Operating Expenses:	
Employee benefits	<u>12,935,372</u>
Operating Income	1,556,603
Nonoperating Revenue:	
Income on investments	<u>2,341</u>
Change in Net Position	1,558,944
Net Position at Beginning of Year	<u>4,003,316</u>
Net Position at End of Year	\$ <u><u>5,562,260</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, 2021**

	<b>Governmental Activities Internal Service Fund</b>
Cash Flows from Operating Activities:	
Cash received from premiums - Town departments and agencies	\$ 14,491,975
Claims paid	<u>(12,869,545)</u>
Net cash provided by (used in) operating activities	1,622,430
Cash Flows from Investing Activities:	
Income from investments	<u>2,341</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,624,771
Cash and Cash Equivalents at Beginning of Year	<u>4,718,469</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>6,343,240</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in)	
Operating Activities:	
Operating income (loss)	\$ <u>1,556,603</u>
Adjustments to reconcile operating income (loss) to net cash provided by	
(used in) operating activities:	
(Increase) decrease in accounts receivable	11,287
Increase (decrease) in accounts and other payables	<u>54,540</u>
Total adjustments	<u>65,827</u>
Net Cash Provided by (Used In) Operating Activities	\$ <u><u>1,622,430</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, 2021**

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	<b>Pension and Other Employee Benefit Trust Funds</b>
Assets:	
Cash and cash equivalents	\$ 1,919,199
Investments:	
Mutual funds	64,208,607
Accounts receivable	
	<hr/>
Total assets	66,127,806
	<hr/>
Net Position:	
Restricted for Pension Benefits and Other Purposes	\$ <u>66,127,806</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 4,578,515
Plan members	474,624
Total contributions	<u>5,053,139</u>
Investment earnings:	
Net change in fair value of investments	<u>15,242,321</u>
Total additions	<u>20,295,460</u>
Deductions:	
Benefits	4,319,488
Administration	123,721
Total deductions	<u>4,443,209</u>
Change in Net Position	15,852,251
Net Position at Beginning of Year	<u>50,275,555</u>
Net Position at End of Year	<u><u>\$ 66,127,806</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. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

### **Fiduciary Component Units**

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

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

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

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

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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

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

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

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

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

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.

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

Additionally, the Town reports the following fund types:

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 fiduciary activities of the South Windsor Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees and also the accumulated resources and payments associated with both Town and Board of Education health insurance benefits to former qualified employees.



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

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

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 lienied 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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**F. Inventories and Prepaid Items**

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

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

**G. Capital Assets**

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

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

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

<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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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.

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.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year, or no expenditure from or encumbrance of the appropriation has been made for three consecutive fiscal years.

**B. Fund Deficits**

The major fund Capital Projects had a deficit fund balance of \$5,177,951, at June 30, 2021. The deficit will be funded with future charges for services, bonding and contributions from the General Fund.

**C. Expenditures Exceed Appropriations**

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

<b>Department</b>	
Town attorney	\$ 102,373
Recreation administration	28,616
Library	13,774

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

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

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

**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*, \$27,581,591 of the Town's bank balance of \$28,081,591 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 24,773,432
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,808,159</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 27,581,591</u></u>

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2021, the Town's cash equivalents amounted to \$36,105,438.

**Credit Risk – Cash Equivalents**

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

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

\*Not rated

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

Investments as of June 30, 2021 in all funds are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Mutual funds	\$ 64,402,170

**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, 2021, 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, 2021:

	<u>June 30, 2021</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 64,402,170	\$ 62,749,497	\$ 1,652,673	\$ -



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

#### **4. RECEIVABLES**

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

	<u>General</u>	<u>Sewer Operating Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Interest	\$ 663,456	\$ 57,763	\$	\$ 721,219
Taxes	1,782,486			1,782,486
Accounts	568,649	105,700	39,874	714,223
Intergovernmental	252,748		320,654	573,402
Special assessments		7,700		7,700
Gross receivables	<u>3,267,339</u>	<u>171,163</u>	<u>360,528</u>	<u>3,799,030</u>
Less allowance for uncollectibles:				
Taxes	<u>(409,842)</u>			<u>(409,842)</u>
Net Total Receivables	<u>\$ 2,857,497</u>	<u>\$ 171,163</u>	<u>\$ 360,528</u>	<u>\$ 3,389,188</u>

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

Capital asset activity for the year ended June 30, 2021 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	\$ 19,483,267	\$	\$	\$ 19,483,267
Construction in progress	69,462,255	16,195,636	(1,551,998)	84,105,893
Total capital assets not being depreciated	<u>88,945,522</u>	<u>16,195,636</u>	<u>(1,551,998)</u>	<u>103,589,160</u>
Capital assets being depreciated:				
Buildings	151,690,566	376,844		152,067,410
Improvements other than buildings	28,624,525	418,649		29,043,174
Furniture and equipment	24,362,352	1,605,146	(283,640)	25,683,858
Infrastructure	146,826,275	790,918		147,617,193
Total capital assets being depreciated	<u>351,503,718</u>	<u>3,191,557</u>	<u>(283,640)</u>	<u>354,411,635</u>
Less accumulated depreciation for:				
Buildings	(62,254,437)	(2,491,627)		(64,746,064)
Improvements other than buildings	(12,634,718)	(930,233)		(13,564,951)
Furniture and equipment	(16,815,106)	(1,181,979)	216,569	(17,780,516)
Infrastructure	(66,945,544)	(1,425,534)		(68,371,078)
Total accumulated depreciation	<u>(158,649,805)</u>	<u>(6,029,373)</u>	<u>216,569</u>	<u>(164,462,609)</u>
Total capital assets being depreciated, net	<u>192,853,913</u>	<u>(2,837,816)</u>	<u>(67,071)</u>	<u>189,949,026</u>
Governmental Activities Capital Assets, Net	<u>\$ 281,799,435</u>	<u>\$ 13,357,820</u>	<u>\$ (1,619,069)</u>	<u>\$ 293,538,186</u>

Amount includes an adjustment to Construction in Progress of \$535,163 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	\$ 49,372
Public Safety	817,800
Public Works	2,134,409
Culture and recreation	430,179
Human Services	36,806
Education	<u>2,560,807</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,029,373</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Construction Commitments**

The Town has active construction projects as of June 30, 2021. 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	\$ 3,164,719	\$ 4,803,299
Board of Education Projects	62,462,748	3,534,025
Other Projects	376,844	-
Sewer Projects	191,586	85,086

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, 2021 is presented below:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Nonmajor Governmental Funds	\$ 41,468
Sewer Operating Fund	General Fund	2,213,400
ARPA Fund	General Fund	3,871,330
Nonmajor Governmental Funds	General Fund	3,258,675
Capital Projects Funds	General Fund	<u>3,918,839</u>
Total		\$ <u><u>13,303,712</u></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	\$	\$ 2,241,339	\$	\$ 2,241,339
Sewer Operating	45,768	1,341,794		1,387,562
Capital Projects Fund				
Nonmajor Governmental	4,669	100,000	25,006	129,675
Total Transfers In	\$ <u>50,437</u>	\$ <u>3,683,133</u>	\$ <u>25,006</u>	\$ <u>3,758,576</u>

## 7. LONG-TERM DEBT

### Changes in Long-Term Liabilities

A schedule of long-term liabilities outstanding at June 30, 2021 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 payable	\$ 60,635,000	\$ 46,110,000	\$ (9,155,000)	\$ 97,590,000	\$ 7,014,999
Premiums	3,698,889	3,476,544	(1,109,537)	6,065,896	
	<u>64,333,889</u>	<u>49,586,544</u>	<u>(10,264,537)</u>	<u>103,655,896</u>	<u>7,014,999</u>
Notes Payable	18,836,584		(18,289,511)	547,073	109,033
Capital leases	3,185,054	1,145,209	(1,271,723)	3,058,540	762,904
Compensated absences	8,995,904		(500,941)	8,494,963	1,873,248
Net OPEB liability	9,424,794		(935,516)	8,489,278	
Net pension liability	<u>16,321,187</u>		<u>(9,929,213)</u>	<u>6,391,974</u>	
Total Governmental Activities					
Long-Term Liabilities	\$ <u>121,097,412</u>	\$ <u>50,731,753</u>	\$ <u>(41,191,441)</u>	\$ <u>130,637,724</u>	\$ <u>9,760,184</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, 2021 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, 2021</b>
General Purpose:					
Improvement bond	2/15/2012	2/15/2022	1.0-2.0%	\$ 2,000,000	\$ 200,000
Refunding bond	6/4/2014	8/15/2022	2.0-5.0%	4,222,000	975,000
Improvement bond	2/18/2015	2/15/2035	1.75-4.0%	1,900,000	
Improvement bond	2/17/2016	2/15/2036	2.0-5.0%	3,000,000	2,360,000
Improvement bond	2/15/2017	2/15/2033	2.0-5.0%	4,000,000	2,490,000
Improvement bond	2/16/2018	2/15/2038	3.0-5.0%	4,000,000	3,580,000
Refunding bond	8/15/2017	8/15/2033	2.0-4.0%	1,862,000	1,625,000
Improvement bond	2/14/2019	2/1/2039	2.0-5.0%	750,000	680,000
Refunding bond	6/27/2019	8/1/2030	2.375-4.0%	9,155,000	8,255,000
Improvement bond	2/12/2021	6/30/2041	1.1-4.0%	4,000,000	4,000,000
Refunding bond	3/30/2021	6/30/2035	2.0-4.0%	1,393,000	1,393,000
Schools:					
Improvement bond	2/18/2015	2/15/2035	1.75-4.0%	3,260,000	
Improvement bond	2/17/2016	2/15/2036	2.0-5.0%	1,300,000	1,040,000
Improvement bond	2/15/2017	2/15/2033	3.0-5.0%	7,860,000	5,325,000
Improvement bond	2/16/2018	2/15/2038	3.0-5.0%	7,500,000	6,365,000
Refunding bond	8/15/2017	8/15/2033	2.0-4.0%	702,000	612,000
Improvement bond	2/14/2019	2/1/2039	2.0-5.0%	4,500,000	4,070,000
Improvement bond	2/13/2020	2/1/2040	2.0-5.0%	13,500,000	12,825,000
Improvement bond	2/12/2021	6/30/2041	1.1-4.0%	23,000,000	23,000,000
Refunding bond	3/30/2021	6/30/2035	2.0-4.0%	2,240,000	2,240,000
Sewer:					
Clean Water Note Vernon	1/1/2002	7/1/2021	2%	800,000	452
Clean Water Note Pleasant	11/30/2005	5/31/2025	2%	402,727	91,169
Clean Water Note Submersible pump station	12/28/2006	7/1/2026	2%	1,568,029	455,452
Clean Water Note	10/31/2012	12/30/2032	2%	27,516,583	
Refunding bond	8/15/2017	8/15/2033	2.0-4.0%	1,561,000	1,363,000
Refunding bond	3/30/2021	6/30/2023	2.0-4.0%	15,477,000	15,192,000
Total					\$ <u>98,137,073</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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The following is a schedule of future debt service requirements as of June 30, 2021:

Fiscal Year Ending	General Obligation Bonds		Notes Payable		Total Debt Service	
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	Principal Payments	Interest Payments
2022	\$ 7,014,999	\$ 2,956,433	\$ 109,033	9,949	7,124,032	2,966,382
2023	6,685,001	2,671,525	110,775	7,749	6,795,776	2,679,274
2024	6,395,000	2,367,775	113,011	5,513	6,508,011	2,373,288
2025	6,340,000	2,111,000	113,274	3,232	6,453,274	2,114,232
2026	6,433,000	1,855,100	93,135	1,169	6,526,135	1,856,269
2027-2031	32,472,000	5,912,513	7,845	13	32,479,845	5,912,526
2032-2036	20,805,000	2,450,894			20,805,000	2,450,894
2037-2041	11,445,000	662,657			11,445,000	662,657
	<u>\$ 97,590,000</u>	<u>\$ 20,987,897</u>	<u>\$ 547,073</u>	<u>\$ 27,625</u>	<u>\$ 98,137,073</u>	<u>\$ 21,015,522</u>

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

The Town issued \$27,000,000 of general obligation bonds on February 12, 2021 for various capital improvement projects. The bonds bear interest of 1.1 - 4.0% and mature on February 1, 2040.

On March 30, 2021, the Town issued \$19,110,000 in General Obligation Refunding Bonds with interest rates between 2.00% and 4.00% and a final maturity of June 30, 2035. The bonds were issued to advance refund the 2015 General Obligation Bonds of \$3,960,000 and the 2012 clean water note of \$17,148,210. The net proceeds of \$21,129,324 (after an original premium of \$2,198,526 and payment of \$179,202 in underwriter's fees and other issuance costs) were deposited with an escrow agent in an irrevocable trust fund. The proceeds were used to buy a portfolio of direct obligations of, or obligations guaranteed by, the United State of America to provide all future debt service payments on the refunded bonds. The refunded bonds with a balance of \$21,108,210 were considered defeased and the liability for those bonds has been removed from the statement of net assets. The transaction generated a cash flow savings of \$1,332,354 and a present value savings of \$1,263,540. The bonds were later called prior to year-end and the escrow balance is \$-0- at June 30, 2021.

**Legal Debt Limit**

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 244,553,191	\$ 38,160,583	\$ 206,392,608
Schools	489,106,382	129,023,317	360,083,065
Sewers	407,588,651	28,825,485	378,763,166
Urban renewal	353,243,498		353,243,498
Pension deficit	326,070,921		326,070,921

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$760,832,149.

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

Project	Authorized	Bonds/BANS		Authorized But Unissued
		Issued	Grants	
Water Pollution Control Facility Project	\$ 47,000,000	\$ 27,516,583	\$ 7,760,005	\$ 11,723,412
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	20,500,000	11,009,401	5,909,659
Philip R. Smith Elementary School Project	32,480,940	16,000,000	9,040,665	7,440,275
2009 Open Space Acquisitions	2,000,000	400,000		1,600,000
2018 - Road/Various Public	15,000,000	9,000,000		6,000,000
Pleasant Valley Elementary School	58,500,000	1,000,000		57,500,000
Total	\$ <u>237,921,724</u>	\$ <u>105,766,583</u>	\$ <u>40,282,829</u>	\$ <u>91,872,312</u>

**Capital Leases**

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

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

Cost	\$ 11,754,857
Accumulated depreciation	<u>(3,291,323)</u>
Net Leased Equipment	\$ <u>8,463,534</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, 2021:

<u>Fiscal Year Ending</u>	
2022	\$ 860,017
2023	795,996
2024	813,762
2025	513,977
2026	234,326
2027-2030	92,577
Less amount representing interest	<u>(252,115)</u>
Present Value of Minimum Lease Payments	\$ <u>3,058,540</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**Bond Anticipation Notes**

The Town issued bond anticipation notes on February 12, 2021 maturing on February 11, 2022 for \$6,000,000. The current interest rate on the notes is 1.50% 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, 2021:

<b>Project</b>	<b>Date Issued</b>	<b>Maturity Date</b>	<b>Interest Rate (%)</b>	<b>Balance July 1, 2019</b>	<b>Issued</b>	<b>Retired</b>	<b>Balance June 30, 2020</b>
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)	-
2018 - Road/Various Public Improvements	2/12/2021	2/11/2022	1.50%		5,000,000		5,000,000
Pleasant Valley Elementary School	2/12/2021	2/11/2022	1.50%		1,000,000		1,000,000
				<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total				\$ <u>18,000,000</u>	\$ <u>6,000,000</u>	\$ <u>(18,000,000)</u>	\$ <u>6,000,000</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, 2021 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	\$	\$	\$	\$ 20,704	\$ 20,704
Prepaid items	79,619				79,619
Restricted for:					
Education	1,409,700			1,520,837	2,930,537
Public safety				140,711	140,711
Public works				243,582	243,582
Health and welfare				807,485	807,485
Committed to:					
General government				383,792	383,792
Public safety				72,465	72,465
WPCA capital improvements					
Public works			2,070,992		2,070,992
Health and welfare					
Culture and recreation				711,856	711,856
Education				363,489	363,489
Capital Projects					
Tax Stabilization Program	3,200,000				3,200,000
Assigned to:					
Various capital projects					
Subsequent year's budget					
General government	30,927				30,927
Public safety	350,368				350,368
Public works	116,869				116,869
Health and welfare	3,940				3,940
Culture and recreation	55,546				55,546
Education	1,573,541				1,573,541
Unassigned	<u>28,152,804</u>	<u>(5,177,951)</u>			<u>22,974,853</u>
Total Fund Balances	\$ <u>34,973,314</u>	\$ <u>(5,177,951)</u>	\$ <u>2,070,992</u>	\$ <u>4,264,921</u>	\$ <u>36,131,276</u>

Significant encumbrances of \$2,131,191, \$76,937 and \$204,123 are included in the General Fund, Sewer Operating Fund and nonmajor governmental fund Recreation, respectively, at June 30, 2021.

## **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, 2020, the plans' membership consisted of:

	<b>Town Plan</b>	<b>Board of Education Plan</b>
Retirees and beneficiaries currently receiving benefits	89	77
Terminated members entitled to benefits but not yet receiving them	17	19
Current active members	68	60
Total	174	156

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

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

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

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

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

## **Benefit Provisions**

### **Town Plan**

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

### **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. Plan is now closed to newly hired employees.

## **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 Pension Committee by a majority vote of its members. It is the policy of the Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2021:

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<b>Asset Class</b>	<b>Targeted Allocation</b>
U.S. Core Fixed Income	23.50%
U.S. Bank I Leveraged Loans	1.50%
US Inflation-Indexed Bonds	1.23%
Global Bonds	2.50%
U.S. Large Caps	16.00%
U.S. Small Caps	9.00%
US Large Growth	4.00%
US Large Value	6.50%
Non-US Equity	28.00%
Global REITs	5.85%
Infrastructure	0.70%
Commodities	1.22%
	<u>100%</u>

**Rate of Return**

For the year ended June 30, 2021, 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 29.94% and 29.79%, 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(Asset) of the Town**

The components of the net pension liability(asset) of the Town and Board of Education plans at June 30, 2021 were as follows:

	<b>Town</b>	<b>Board of Education</b>
Total pension liability	\$ 48,426,833	\$ 19,595,133
Plan fiduciary net position	<u>42,034,859</u>	<u>19,664,142</u>
Net Pension Liability (Asset)	<u>\$ 6,391,974</u>	<u>\$ (69,009)</u>
Plan fiduciary net position as a percentage of the total pension liability	86.80%	100.35%

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**Actuarial Assumptions**

The total pension liability for the Town and Board of Education plans were determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.0%, average, including inflation
Investment rate of return	6.50% for the Town and Board of Education, net of pension plan investment expense, including inflation
Amortization Period	24 years, closed

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

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, 2021 (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	1.28%	1.28%
U.S. Bank & Leveraged Loans	2.60%	2.60%
US Inflation-Indexed Bonds	1.57%	1.57%
Global Bonds	0.35%	0.35%
U.S. Large Caps	3.33%	3.33%
U.S. Small Caps	4.11%	4.11%
US Large Growth	3.28%	3.28%
US Large Value	3.67%	3.67%
Non-US Equity	4.84%	4.84%
Global REITs	4.26%	4.26%
Infrastructure	4.21%	4.21%
Commodities	1.27%	1.27%

**Discount Rate**

The discount rate used to measure the total pension liability for the Town and Board of Education plans was 6.50%. 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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
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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 6.50% for the Town and Board of Education plans as of June 30, 2021 changed from 6.75% 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 6.50%, 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 (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Town's Net Pension Liability	\$ 12,276,884	\$ 6,391,974	\$ 1,641,769
Board of Education's Net Pension Liability (Asset)	2,204,201	(69,009)	(1,863,465)

**Changes in the Net Pension Liability**

<b>Town Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2020	\$ 45,350,359	\$ 31,758,433	\$ 13,591,926
Changes for the year:			
Service cost	683,048		683,048
Interest on total pension liability	3,021,228		3,021,228
Differences between expected and actual experience	107,712		107,712
Changes in assumptions	1,855,754		1,855,754
Employer contributions		2,952,021	(2,952,021)
Member contributions		309,496	(309,496)
Net investment income		9,682,823	(9,682,823)
Benefit payments, including refund to employee contributions	(2,591,268)	(2,591,268)	-
Administrative expenses		(76,646)	76,646
Net changes	3,076,474	10,276,426	(7,199,952)
Balances as of June 30, 2021	\$ 48,426,833	\$ 42,034,859	\$ 6,391,974

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<b>Board of Education Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2020	\$ 18,212,768	\$ 15,483,507	\$ 2,729,261
Changes for the year:			
Service cost	428,841		428,841
Interest on total pension liability	1,224,594		1,224,594
Differences between expected and actual experience	(90,391)		(90,391)
Changes in assumptions	834,870		834,870
Employer contributions		570,615	(570,615)
Member contributions		165,128	(165,128)
Net investment income (loss)		4,504,993	(4,504,993)
Benefit payments, including refund to employee contributions	(1,015,549)	(1,015,549)	-
Administrative expenses		(44,552)	44,552
Net changes	1,382,365	4,180,635	(2,798,270)
Balances as of June 30, 2021	\$ 19,595,133	\$ 19,664,142	\$ (69,009)

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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, 2021, the Town and Board of Education pension plans recognized pension expense of \$241,105 and \$6,947, respectively. At June 30, 2021, 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	\$ 67,819	\$ 112,350
Changes of assumptions	1,168,438	
Net difference between projected and actual earning on pension plan investments		5,186,431
Total	<u>\$ 1,236,257</u>	<u>\$ 5,298,781</u>

	<b>Board of Education</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 345,917	\$ 63,805
Changes of assumptions	589,320	85,552
Net difference between projected and actual earning on pension plan investments		2,388,656
Total	<u>\$ 935,237</u>	<u>\$ 2,538,013</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>
2022	\$ (597,885)	\$ (197,404)
2023	(621,028)	(183,278)
2024	(1,339,743)	(527,959)
2025	(1,503,868)	(694,135)



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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>
<b>Assets:</b>				
Cash and cash equivalent	\$ 1,293,657	\$ 598,288	\$ 27,254	\$ 1,919,199
Investments, at fair value:				
Mutual funds	<u>40,741,202</u>	<u>19,065,854</u>	<u>4,401,551</u>	<u>64,208,607</u>
<b>Total Assets</b>	<b>\$ <u>42,034,859</u></b>	<b>\$ <u>19,664,142</u></b>	<b>\$ <u>4,428,805</u></b>	<b>\$ <u>66,127,806</u></b>
 Net Position Restricted for Pension Benefits	 \$ <u>42,034,859</u>	 \$ <u>19,664,142</u>	 \$ <u>4,428,805</u>	 \$ <u>66,127,806</u>
	<b>Town Plan</b>	<b>Board of Education Plan</b>	<b>Other Post Employment Benefit Trust Fund</b>	<b>Total</b>
<b>Additions:</b>				
Contributions:				
Employer	\$ 2,952,021	\$ 570,615	\$ 1,055,879	\$ 4,578,515
Employee	<u>309,496</u>	<u>165,128</u>		<u>474,624</u>
Total contributions	3,261,517	735,743	1,055,879	5,053,139
Investment income:				
Net change in fair value of investments	<u>9,682,823</u>	<u>4,504,993</u>	<u>1,054,505</u>	<u>15,242,321</u>
Total additions	<u>12,944,340</u>	<u>5,240,736</u>	<u>2,110,384</u>	<u>20,295,460</u>
<b>Deductions:</b>				
Benefits	2,591,268	1,015,549	712,671	4,319,488
Administration	<u>76,646</u>	<u>44,552</u>	<u>2,523</u>	<u>123,721</u>
Total deductions	<u>2,667,914</u>	<u>1,060,101</u>	<u>715,194</u>	<u>4,443,209</u>
Changes in Net Position	10,276,426	4,180,635	1,395,190	15,852,251
Net Position at July 1, 2020	<u>31,758,433</u>	<u>15,483,507</u>	<u>3,033,615</u>	<u>50,275,555</u>
Net Position at June 30, 2021	<b>\$ <u>42,034,859</u></b>	<b>\$ <u>19,664,142</u></b>	<b>\$ <u>4,428,805</u></b>	<b>\$ <u>66,127,806</u></b>

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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, 2021, the amount of "on-behalf" contributions made by the State was \$10,521,422 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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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, 2021, 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>164,034,106</u>
Total	\$	<u><u>164,034,106</u></u>

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

For the year ended June 30, 2021, the Town recognized pension expense and revenue of \$23,497,108 in Exhibit II.

**E. Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	3.00 - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

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

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

**Cost-of-Living Allowance**

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

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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%.

**Long-Term Rate of Return**

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

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

**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.

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**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, 2021 for these groups was \$269,282 and represented 6.0% of covered payroll. The employees' contributions were \$267,839 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, 2021 for this group was \$460,287 and represented 12.07% of covered payroll. The employees required contributions were \$179,179 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.

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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.

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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, 2021, 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, 2021. The components of the net OPEB liability of the Town at June 30, 2021 were as follows:

	<b><u>OPEB Plan</u></b>
Total OPEB Liability	\$ 12,918,083
Plan fiduciary net position	<u>4,428,805</u>
Net OPEB Liability	<u><u>\$ 8,489,278</u></u>
Plan fiduciary net position as a percentage of the total pension liability	34.28%



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**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2021, 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 PubS-2010 Mortality Table with generational projection per the MP-2014 ultimate scale police and PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale for all others. This assumption includes a margin for mortality improvements in longevity beyond the valuation date.

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

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, 2021 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	23.50%	1.28%
U.S. Bank & Leveraged Loans	1.50%	2.60%
US Inflation-Indexed Bonds	1.23%	1.57%
Global Bonds	2.50%	0.35%
U.S. Large Caps	16.00%	3.33%
U.S. Small Caps	9.00%	4.11%
US Large Growth	4.00%	3.28%
US Large Value	6.50%	3.67%
Non-US Equity	28.00%	4.84%
Global REITs	5.85%	4.26%
Infrastructure	0.70%	4.21%
Commodities	1.22%	1.27%
	<u>100%</u>	

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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.

**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, 2020	\$ 12,458,409	\$ 3,033,615	\$ 9,424,794
Changes for the year:			
Service cost	332,611		332,611
Interest on total OPEB liability	839,734		839,734
Employer contributions		1,055,879	(1,055,879)
Net investment income (loss)		1,054,505	(1,054,505)
Benefit payments	(712,671)	(712,671)	-
Administrative expenses		(2,523)	2,523
Net changes	459,674	1,395,190	(935,516)
Balances as of June 30, 2021	\$ 12,918,083	\$ 4,428,805	\$ 8,489,278

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	\$ 9,591,078	\$ 8,489,278	\$ 7,501,323

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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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 (4.30-3.50% Over 52 Years)</b>	<b>Current Trend Rate (5.30-4.50% Over 52 Years)</b>	<b>1% Increase (6.30-5.50% Over 52 Years)</b>
Net OPEB Liability	\$ 7,138,049	\$ 8,489,278	\$ 10,053,518

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$873,751. At June 30, 2021, 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	\$ 1,760,525	\$ 1,450,551
Changes of assumptions or other inputs	168,416	
Net difference between projected and actual earnings		568,217
Total	\$ 1,928,941	\$ 2,018,768

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>	
2022	\$ (84,835)
2023	(110,365)
2024	(128,440)
2025	(142,001)
2026	25,651
Thereafter	350,163

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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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  
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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, 2021, the amount of "on-behalf" contributions made by the State was \$253,918 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, 2021**

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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, 2021, 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>24,465,693</u>
Total	\$ <u><u>24,465,693</u></u>

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

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$1,130,129 in Exhibit II.

**F. Actuarial Assumptions**

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

Inflation	2.50%
Health care costs trend rate	5.125% for 2020, decreasing to an ultimate Rate of 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Investment rate of return	2.21%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2021

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021**

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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 (0.42%).

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%; employee contributions 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. Annual State contributions were assumed to be equal to the most recent five-year average of State contributions to the fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2021 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, 2021**

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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>
<b>Medical Insurance</b>					
<b>Fund:</b>					
2019-2020	\$	812,297	\$ 13,025,106	\$ 13,102,403	\$ 735,000
2020-2021		735,000	12,935,372	12,880,832	789,540

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.



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**12. CONTINGENT LIABILITIES**

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

**13. TAX ABATEMENTS**

The Town has entered into multiple tax abatement agreements with developers and real property owners in order to assist in the economic development of the Town. The Town has agreed to provide a reduction to the real property assessments for a period of time to offset the cost of developing the area pursuant to Chapter 203 of the Connecticut General Statutes. The Town reduced its property tax revenue by \$1,886,548 for the year ended June 30, 2021.

**14. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The Town previously reported the activities of the Performance Bonds Agency Fund and Schools Activity Agency Fund as fiduciary funds. As a result of implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the Town made the following reporting changes: The activities of the Performance Bonds Fund are reported with the general fund activities, and the Schools Activity Fund is reported as a special revenue fund. Accordingly, the Town restated the beginning assets and liabilities of the General Fund by \$1,472,813. The remaining assets of \$408,714 previously reported in the agency fund were recognized as assets and fund balance of the newly created special revenue fund. Accordingly, the Town restated beginning balances of the assets, liabilities, fund balance and net position as follows:

	Governmental Activities Net Position	Nonmajor Governmental Funds Fund Balance
	<u>                    </u>	<u>                    </u>
Balance as previously reported June 30, 2020	\$ 179,596,238	\$ 3,988,185
Adjustment		
Schools Activity Fund reported as a special revenue fund	<u>408,714</u>	<u>408,714</u>
Balance as restated at July 1, 2020	\$ <u>180,004,952</u>	\$ <u>4,396,899</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**Fiduciary Funds:**

		<u>Agency Funds</u>
Balance as previously reported June 30, 2020	\$	1,881,527
Adjustment		
Schools Activity Fund reported as a special revenue fund		(408,714)
Performance Bonds reported with General Fund		<u>(1,472,813)</u>
Balance as restated at July 1, 2020	\$	<u><u>-</u></u>

# **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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
Property Taxes:				
Current taxes	\$ 106,523,792	\$ 106,523,792	\$ 106,526,462	\$ 2,670
Delinquent taxes	800,000	800,000	1,553,985	753,985
Supplemental motor vehicles	900,000	900,000	1,059,072	159,072
Interest	500,000	500,000	1,668,750	1,168,750
Liens	7,000	7,000	6,315	(685)
Housing authority - PILOT (in lieu of taxes)	31,000	31,000	60,824	29,824
Telephone access relief	35,000	35,000	36,294	1,294
Total property taxes	<u>108,796,792</u>	<u>108,796,792</u>	<u>110,911,702</u>	<u>2,114,910</u>
Intergovernmental:				
State assistance - education:				
Education equalization	10,500,000	10,500,000	10,896,307	396,307
Other assistance:				
Elderly tax freeze			1,835	1,835
State in lieu of taxes	142,250	142,250	142,250	-
DOT Elderly Transportation	33,444	33,444	33,444	-
FEMA reimbursements			10,361	10,361
State sundry grants			548,028	548,028
Youth service grants	20,746	20,746	20,935	189
Municipal stabilization			57,854	57,854
Municipal grants-in-aid	1,338,190	1,338,190	1,776,486	438,296
Veterans' exemption	14,000	14,000	13,410	(590)
Total intergovernmental	<u>12,048,630</u>	<u>12,048,630</u>	<u>13,500,910</u>	<u>1,452,280</u>
Charges for Services:				
Public works compost revenue			95,484	95,484
Building permits	875,000	875,000	1,293,719	418,719
Town Manager's rents			3,131	3,131
Probate court rentals	8,500	8,500	7,045	(1,455)
Town Clerk fees	600,000	600,000	1,296,848	696,848
Planning and zoning fees	25,000	25,000	25,893	893
General government sundry	250,000	250,000	260,895	10,895
Police	20,000	20,000	32,629	12,629
Recycling rebate			3,164	3,164
Health permits	25,000	25,000	29,733	4,733
Engineering permits	9,000	9,000	14,890	5,890
Zoning board of appeals	1,000	1,000		(1,000)
Refuse and recycling	80,000	80,000	69,229	(10,771)
Fire Marshal fees	100,000	100,000	245,196	145,196
Total charges for services	<u>1,993,500</u>	<u>1,993,500</u>	<u>3,377,856</u>	<u>1,384,356</u>
Investment Earnings	<u>950,000</u>	<u>950,000</u>	<u>64,580</u>	<u>(885,420)</u>
Total Revenues	<u>123,788,922</u>	<u>123,788,922</u>	<u>127,855,048</u>	<u>4,066,126</u>

(Continued on next page)

**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, 2021**

	<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	\$ 45,000	\$ 45,000	\$ 45,768	\$ 768
Library funds	14,000	14,000	4,669	(9,331)
Fund balance appropriation	<u>500,000</u>	<u>500,000</u>		<u>(500,000)</u>
Total other financing sources	<u>559,000</u>	<u>559,000</u>	<u>50,437</u>	<u>(508,563)</u>
Total Revenues and Other Financing Sources	<u>\$ 124,347,922</u>	<u>\$ 124,347,922</u>	127,905,485	<u>\$ 3,557,563</u>
Budgetary revenues are different from GAAP revenues because:				
Premiums on bond issuance not budgeted			1,278,018	
Miscellaneous debt service proceeds not budgeted			2,227	
Special Ed Reserve revenue not budgeted			1,143	
Cancellation of prior year encumbrances			(10,026)	
OPEB expense from State of Connecticut			253,918	
Pension expense from State of Connecticut			<u>10,521,422</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>\$ 139,952,187</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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget (Over) Under</u>
General Government:				
Legislative:				
Town Council	\$ 195,292	\$ 195,292	\$ 172,083	\$ 23,209
Boards and Commissions:				
Human relations commission	2,500	2,500	1,685	815
Historic district commission	1,000	1,000	145	855
Public building commission	2,050	2,050	1,404	646
South Windsor redevelopment	1,000	1,000		1,000
Inland/wetlands - conservation	7,455	7,455	3,397	4,058
Land preservation advisory	300	300		300
Open space task force	500	500	36	464
Juvenile firesetter commission	1,500	1,500		1,500
Park and recreation commission	4,900	4,900	1,036	3,864
Planning and zoning	9,500	9,500	8,834	666
Zoning board of appeals	3,200	3,200	312	2,888
Black lives matter subcommittee		1,000	700	300
Economic development coordinator	3,300	3,300	1,400	1,900
Total boards and commissions	37,205	38,205	18,949	19,256
Judicial:				
Probate court	20,375	20,375	9,423	10,952
Elections:				
Registrar of voters	187,584	187,584	186,421	1,163
Executive:				
Town manager	209,188	209,188	197,807	11,381
Human resources	318,628	318,628	311,305	7,323
Total executive	527,816	527,816	509,112	18,704
Community Development:				
Economic development	115,769	115,769	107,200	8,569
Planning department	316,112	316,112	303,702	12,410
Building department	298,940	298,940	275,711	23,229
Total community development	730,821	730,821	686,613	44,208
Finance:				
Assessor	324,623	323,974	288,769	35,205
Collector of revenue	227,523	227,523	200,981	26,542
Finance office	380,458	380,458	337,426	43,032
Total finance	932,604	931,955	827,176	104,779
Recording and Reporting:				
Town clerk	228,566	228,566	224,248	4,318
Law:				
Town attorney	175,000	175,000	277,373	(102,373)
Central Services:				
Town Hall	267,330	267,330	252,151	15,179
Information technology	1,102,389	1,095,949	1,038,461	57,488
175th Anniversary	25,000	25,000	25,000	-
Media	34,320	40,760	40,760	-
Total central services	1,429,039	1,429,039	1,356,372	72,667
Total general government	4,464,302	4,464,653	4,267,770	196,883

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<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	\$ 610,795	\$ 620,803	\$ 614,685	\$ 6,118
Operations	4,429,558	4,419,550	4,406,812	12,738
Support services	2,173,729	2,173,729	1,949,237	224,492
Community services	186,870	186,870	177,009	9,861
Total police protection	<u>7,400,952</u>	<u>7,400,952</u>	<u>7,147,743</u>	<u>253,209</u>
Fire Protection:				
Fire marshal	324,615	308,215	293,013	15,202
Volunteer fire department	1,011,088	1,011,088	1,011,088	-
Hydrants and water lines	966,000	966,000	943,659	22,341
Total fire protection	<u>2,301,703</u>	<u>2,285,303</u>	<u>2,247,760</u>	<u>37,543</u>
Emergency management	<u>19,985</u>	<u>56,385</u>	<u>40,153</u>	<u>16,232</u>
Other protection:				
Street lights	<u>427,500</u>	<u>427,500</u>	<u>280,083</u>	<u>147,417</u>
Total public safety	<u>10,150,140</u>	<u>10,170,140</u>	<u>9,715,739</u>	<u>454,401</u>
Public Works:				
Administration:				
Management				-
Engineering:				
Technical support	<u>510,475</u>	<u>508,175</u>	<u>492,872</u>	<u>15,303</u>
Street Services:				
Highway maintenance	3,157,757	3,112,757	2,908,879	203,878
Fleet services	1,041,125	1,041,125	822,028	219,097
Total street services	<u>4,198,882</u>	<u>4,153,882</u>	<u>3,730,907</u>	<u>422,975</u>
Public Buildings:				
Building maintenance	<u>1,982,946</u>	<u>1,930,694</u>	<u>1,921,799</u>	<u>8,895</u>
Pollution Control:				
Refuse and recycling	<u>2,245,349</u>	<u>2,247,649</u>	<u>2,247,643</u>	<u>6</u>
Total public works	<u>8,937,652</u>	<u>8,840,400</u>	<u>8,393,221</u>	<u>447,179</u>
Human Services:				
Conservation of Health:				
Environmental health	195,466	195,466	186,945	8,521
Visiting nurse community care	7,500	4,400	2,343	2,057
Total conservation of health	<u>202,966</u>	<u>199,866</u>	<u>189,288</u>	<u>10,578</u>
Human service programs:				
Administration	137,865	137,865	137,670	195
Youth and family services	328,015	327,515	265,314	62,201
Adult and senior services	431,540	432,040	395,044	36,996
Senior bus service	111,389	114,489	72,093	42,396
Sheltered workshops	2,697	2,697	2,697	-
Total human services programs	<u>1,011,506</u>	<u>1,014,606</u>	<u>872,818</u>	<u>141,788</u>
Total human services	<u>1,214,472</u>	<u>1,214,472</u>	<u>1,062,106</u>	<u>152,366</u>

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget (Over) Under</b>
Culture and Recreation:				
Recreation administration	\$ 2,302,687	\$ 2,302,687	\$ 2,331,303	\$ (28,616)
Library	1,203,056	1,203,056	1,216,830	(13,774)
Total culture and recreation	<u>3,505,743</u>	<u>3,505,743</u>	<u>3,548,133</u>	<u>(42,390)</u>
Education	<u>75,399,351</u>	<u>75,399,351</u>	<u>75,167,043</u>	<u>232,308</u>
Insurance and Benefits:				
Municipal insurance:				
Insurance - casualty	<u>276,306</u>	<u>281,371</u>	<u>281,367</u>	<u>4</u>
Pension contributions:				
Pension	2,550,580	3,754,925	3,678,321	76,604
Social security	<u>1,236,628</u>	<u>1,299,088</u>	<u>1,299,074</u>	<u>14</u>
Total pension contributions	<u>3,787,208</u>	<u>5,054,013</u>	<u>4,977,395</u>	<u>76,618</u>
Health and life insurance	<u>4,109,398</u>	<u>2,796,168</u>	<u>2,672,273</u>	<u>123,895</u>
Workers' compensation	<u>385,868</u>	<u>385,868</u>	<u>383,398</u>	<u>2,470</u>
Unemployment compensation	<u>13,000</u>	<u>54,360</u>	<u>54,360</u>	<u>-</u>
Salary contingency	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total insurance and benefits	<u>8,671,780</u>	<u>8,671,780</u>	<u>8,368,793</u>	<u>302,987</u>
Other:				
Contingency	161,505	94,505	2,000	92,505
South Windsor patriotic commission	13,500	13,500	11,540	1,960
Cemeteries	12,000	18,000	18,000	-
Wood Memorial Library	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>
Total other	<u>199,505</u>	<u>138,505</u>	<u>44,040</u>	<u>94,465</u>
Debt Service:				
Principal	6,131,767	6,086,617	6,084,349	2,268
Interest	<u>3,569,772</u>	<u>3,614,922</u>	<u>3,545,726</u>	<u>69,196</u>
Total debt service	<u>9,701,539</u>	<u>9,701,539</u>	<u>9,630,075</u>	<u>71,464</u>
Total expenditures	<u>122,244,484</u>	<u>122,106,583</u>	<u>120,196,920</u>	<u>1,909,663</u>
Other Financing Uses:				
Transfer out	<u>2,103,438</u>	<u>2,241,339</u>	<u>2,241,339</u>	<u>-</u>
Total	<u>\$ 124,347,922</u>	<u>\$ 124,347,922</u>	<u>122,438,259</u>	<u>\$ 1,909,663</u>

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

2,692,723  
(238,825)  
253,918  
10,521,422

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

\$ 135,667,497



**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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ 5,358,493	\$ 5,358,493	\$ 5,637,368	\$ 278,875
Investment income	450	450	48	(402)
Miscellaneous	111,000	111,000	167,561	56,561
Total revenues	<u>5,469,943</u>	<u>5,469,943</u>	<u>5,804,977</u>	<u>335,034</u>
Expenditures:				
Full time salaries	1,081,700	1,081,700	1,073,455	8,245
Overtime	114,472	118,172	116,650	1,522
Longevity	700	700	700	-
Employee benefits	522,872	522,872	410,438	112,434
Office supplies	2,000	2,000	1,437	563
Operating material	118,950	134,950	119,649	15,301
Motor vehicle supplies	23,100	23,100	9,486	13,614
Uniforms and clothing	15,750	15,750	15,431	319
Fleet and equipment repair	115,000	131,000	122,004	8,996
Professional	160,100	160,100	146,346	13,754
Rental and leases	33,400	33,400	22,660	10,740
Utilities	456,000	441,000	426,965	14,035
Maintenance contracts	674,300	701,300	682,574	18,726
Repair and maintenance equipment	32,300	32,300	27,512	4,788
Fees and memberships	1,900	1,900	1,320	580
Recruitment and training	23,750	13,250	12,948	302
Other purchase services	326,000	344,000	343,437	563
Capital projects	168,000	168,000	155,869	12,131
Department equipment	76,500	20,500	13,267	7,233
Boards and Commissions - Office supplies	200	200		200
Boards and Commissions - Advertising	900	900	252	648
Boards and commissions fees/memberships	1,800	1,800		1,800
Boards and Commissions - Office equipment				-
Debt service	389,267	389,267	385,278	3,989
Total expenditures	<u>4,338,961</u>	<u>4,338,161</u>	<u>4,087,678</u>	<u>250,483</u>
Excess of Revenues over Expenditures	1,130,982	1,131,782	1,717,299	585,517
Other Financing Sources (Uses):				
Transfers in			25,006	25,006
Transfers out	(1,050,000)	(1,050,800)	(1,387,562)	(336,762)
Net Change in Fund Balance	<u>\$ 80,982</u>	<u>\$ 80,982</u>	354,743	<u>\$ 273,761</u>
Fund Balance at July 1, 2020			1,654,520	
Fund Balance at June 30, 2021			<u>\$ 2,009,263</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>
Balance, Budgetary Basis - June 30, 2021	\$ 5,804,977	\$ 4,087,678
Accrued payroll not budgeted		(20,365)
Encumbrances outstanding at June 30, 2020 liquidated and cancelled during the year ended June 30, 2021	(20,106)	1,009
Encumbrances charged to budgetary expenditures during the year ended June 30, 2021		(76,937)
Balance, GAAP Basis - June 30, 2021	<u>\$ 5,784,871</u>	<u>\$ 3,991,385</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 344,193	\$ 597,904	\$ 566,952	\$ 532,281	\$ 516,713	\$ 729,114	\$ 674,483	\$ 683,048
Interest	2,494,478	2,658,282	2,931,266	3,052,104	3,073,845	2,877,916	2,965,310	3,021,228
Differences between expected and actual experience		1,272,460	234,828	(996,542)	1,521,292	100,366	(393,226)	107,712
Changes of assumptions	3,396,197	(1,861,513)	3,242,915	1,164,263	(4,354,897)			1,855,754
Benefit payments, including refunds of member contributions	(1,680,365)	(1,591,710)	(1,796,252)	(1,797,376)	(2,050,807)	(2,445,686)	(2,267,474)	(2,591,268)
Administrative expense	<u>(75,832)</u>							
Net change in total pension liability	4,478,671	1,075,423	5,179,709	1,954,730	(1,293,854)	1,261,710	979,093	3,076,474
Total pension liability - beginning	<u>31,714,877</u>	<u>36,193,548</u>	<u>37,268,971</u>	<u>42,448,680</u>	<u>44,403,410</u>	<u>43,109,556</u>	<u>44,371,266</u>	<u>45,350,359</u>
Total pension liability - ending	<u>36,193,548</u>	<u>37,268,971</u>	<u>42,448,680</u>	<u>44,403,410</u>	<u>43,109,556</u>	<u>44,371,266</u>	<u>45,350,359</u>	<u>48,426,833</u>
Plan fiduciary net position:								
Contributions - employer	1,867,793	1,727,470	1,727,470	1,820,733	1,956,477	2,856,477	2,133,752	2,952,021
Contributions - member	257,692	382,108	345,568	397,315	356,918	340,504	437,496	309,496
Net investment income (loss)	3,279,002	70,803	(276,685)	2,772,961	2,256,287	911,856	1,230,917	9,682,823
Benefit payments, including refunds of member contributions	(1,680,365)	(1,591,710)	(1,796,252)	(1,797,376)	(2,050,807)	(2,445,686)	(2,267,474)	(2,591,268)
Administrative expense	<u>(75,832)</u>	<u>(40,061)</u>	<u>(72,564)</u>	<u>(71,177)</u>	<u>(90,956)</u>	<u>(56,241)</u>	<u>(64,036)</u>	<u>(76,646)</u>
Net change in plan fiduciary net position	3,648,290	548,610	(72,463)	3,122,456	2,427,919	1,606,910	1,470,655	10,276,426
Plan fiduciary net position - beginning	<u>18,906,056</u>	<u>22,654,346</u>	<u>23,202,956</u>	<u>23,130,493</u>	<u>26,252,949</u>	<u>28,680,868</u>	<u>30,287,778</u>	<u>31,758,433</u>
Plan fiduciary net position - ending	<u>22,554,346</u>	<u>23,202,956</u>	<u>23,130,493</u>	<u>26,252,949</u>	<u>28,680,868</u>	<u>30,287,778</u>	<u>31,758,433</u>	<u>42,034,859</u>
Net Pension Liability - Ending	<u>\$ 13,639,202</u>	<u>\$ 14,066,015</u>	<u>\$ 19,318,187</u>	<u>\$ 18,150,461</u>	<u>\$ 14,428,688</u>	<u>\$ 14,083,488</u>	<u>\$ 13,591,926</u>	<u>\$ 6,391,974</u>
Plan fiduciary net position as a percentage of the total pension liability	62.32%	62.26%	54.49%	59.12%	66.53%	68.26%	70.03%	86.80%
Covered payroll	\$ 4,749,846	\$ 4,716,701	\$ 4,716,701	\$ 4,540,844	\$ 4,177,838	\$ 5,634,675	\$ 5,548,107	\$ 5,078,360
Net pension liability as a percentage of covered payroll	287.15%	298.22%	409.57%	399.72%	345.36%	249.94%	244.98%	125.87%

**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 EIGHT FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total pension liability:								
Service cost	\$ 225,029	\$ 359,500	\$ 391,848	\$ 378,717	\$ 423,746	\$ 466,647	\$ 437,107	\$ 428,841
Interest	920,994	986,463	1,108,213	1,167,003	1,174,269	1,105,965	1,152,394	1,224,594
Differences between expected and actual experience	543,345	460,218	28,823	(566,948)	67,085	229,078	608,927	(90,391)
Changes of assumptions			1,346,357	407,690	(1,226,220)			834,870
Benefit payments, including refunds of member contributions	(655,604)	(599,078)	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)	(1,015,549)
Administrative expense	(43,468)							
Net change in total pension liability	990,296	1,207,103	2,232,672	675,762	(357,069)	850,771	976,297	1,382,365
Total pension liability - beginning	11,636,936	12,627,232	13,834,335	16,067,007	16,742,769	16,385,700	17,236,471	18,212,768
Total pension liability - ending	12,627,232	13,834,335	16,067,007	16,742,769	16,385,700	17,236,471	18,212,768	19,595,133
Plan fiduciary net position:								
Contributions - employer	922,555	268,665	535,965	549,460	603,433	530,051	1,424,037	570,615
Contributions - member	197,927	196,719	203,726	190,579	190,968	181,837	172,844	165,128
Net investment income (loss)	1,681,148	30,643	(126,326)	1,390,852	1,093,561	495,218	600,459	4,504,993
Benefit payments, including refunds of member contributions	(655,604)	(599,078)	(642,569)	(710,700)	(795,949)	(950,919)	(1,222,131)	(1,015,549)
Administrative expense	(43,468)	(25,907)	(42,202)	(43,369)	(49,869)	(40,352)	(45,216)	(44,552)
Net change in plan fiduciary net position	2,102,558	(128,958)	(71,406)	1,376,822	1,042,144	215,835	929,993	4,180,635
Plan fiduciary net position - beginning	10,016,519	12,119,077	11,990,119	11,918,713	13,295,535	14,337,679	14,553,514	15,483,507
Plan fiduciary net position - ending	12,119,077	11,990,119	11,918,713	13,295,535	14,337,679	14,553,514	15,483,507	19,664,142
Net Pension Liability (Asset) - Ending	\$ 508,155	\$ 1,844,216	\$ 4,148,294	\$ 3,447,234	\$ 2,048,021	\$ 2,682,957	\$ 2,729,261	\$ (69,009)
Plan fiduciary net position as a percentage of the total pension liability	95.98%	86.67%	74.18%	79.41%	87.50%	84.43%	85.01%	100.35%
Covered payroll	\$ 3,085,477	\$ 3,122,271	\$ 3,122,271	\$ 3,274,814	\$ 3,133,452	\$ 3,897,575	\$ 4,003,396	\$ 3,779,805
Net pension liability as a percentage of covered payroll	16.47%	59.07%	132.86%	105.27%	65.36%	68.84%	68.17%	-1.83%

**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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 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	\$ 1,602,021
Contributions in relation to the actuarially determined contribution	<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>	<u>2,952,021</u>
Contribution Deficiency (Excess)	<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>	<u>\$ (1,350,000)</u>
Covered payroll	\$ 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	5,078,360
Contributions as a percentage of covered payroll	25.16%	31.72%	39.32%	36.62%	36.62%	40.10%	46.83%	50.69%	38.46%	58.13%

**Notes to Schedule**

Valuation date: July 1, 2020

Measurement date: June 30, 2021

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	24 years
Asset valuation method	5-year Non-asymptotic
Inflation	2.5%
Salary increases including inflation	3.0%
Turnover	Graded rates by age and group
Investment rate of return	6.50%
Retirement age	Graded rates by age and group
Disability	Disability among active lives is discounted in advance according to a scale based on attained ages.
Spouse Benefits	80% of members are assumed to be married with wives 1 year younger than husbands.
Mortality	PubS-2010 (Police) and PubG-2010 (All Others) Mortality Table with generational projection per the MP ultimate scale

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

	<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>	<u>2021</u>
Actuarially determined contribution	\$ 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	\$ 1,602,021
Contributions in relation to the actuarially determined contribution	<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>	<u>2,952,021</u>
Contribution Deficiency (Excess)	<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>	<u>\$ (1,350,000)</u>
Covered payroll	\$ 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	5,078,360
Contributions as a percentage of covered payroll	25.16%	31.72%	39.32%	36.62%	36.62%	40.10%	46.83%	50.69%	38.46%	58.13%

**Notes to Schedule**

Valuation date: July 1, 2020

Measurement date: June 30, 2021

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	24 years
Asset valuation method	5-year Non-asymptotic
Inflation	2.5%
Salary increases including inflation	3.0%
Turnover	Graded rates by age and group
Investment rate of return	6.50%
Retirement age	Graded rates by age and group
Disability	Disability among active lives is discounted in advance according to a scale based on attained ages.
Spouse Benefits	80% of members are assumed to be married with wives 1 year younger than husbands.
Mortality	PubS-2010 (Police) and PubG-2010 (All Others) Mortality Table with generational projection per the MP ultimate scale

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

	<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>	<u>2021</u>
Actuarially determined contribution	\$ 481,339	\$ 443,288	\$ 450,378	\$ 535,965	\$ 535,965	\$ 549,460	\$ 603,433	\$ 530,051	\$ 557,209	\$ 570,615
Contributions in relation to the actuarially determined contribution	<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>	<u>570,615</u>
Contribution Deficiency (Excess)	<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>	<u>\$ -</u>
Covered payroll	\$ 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	\$ 3,779,805
Contributions as a percentage of covered payroll	22.00%	17.21%	29.90%	8.60%	17.17%	16.78%	19.26%	13.60%	35.57%	15.10%

**Notes to Schedule**

Valuation date: July 1, 2020  
Measurement date: June 30, 2021  
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	24 years
Asset valuation method	5-year Non-asymptotic
Inflation	2.5%
Salary increases including inflation	3.0%
Turnover	Graded rates by age
Investment rate of return	6.50%
Retirement age	Graded rates by age
Disability	Disability among active lives is discounted in advance according to a scale based on attained ages.
Spouse Benefits	75% of members are assumed to be married with wives 1 year younger than husbands.
Mortality	PubG-2010 Mortality Table with generational projection per the MP ultimate scale

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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%	29.94%
Board of Education Plan	16.90%	0.26%	-1.07%	11.64%	8.31%	3.51%	3.93%	29.79%

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 SEVEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net pension liability	0.00%	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>	<u>164,034,106</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>	<u>\$ 164,034,106</u>
Town's covered payroll	\$ 54,350,173	\$ 56,460,373	\$ 57,676,185	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130	\$ 62,058,431
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	55.93%	52.00%	49.24%

**Notes to Schedule**

Changes in benefit terms

None

Changes of assumptions

The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019:

- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.
- Decrease payroll growth assumption from 3.25% to 3.00%.
- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated e

Actuarial cost method

Entry age

Amortization method

Level percent of pay, closed

Single equivalent amortization period

30 years

Asset valuation method

4-year smoothed market

Inflation

2.50%

Salary increase

3.25%-6.50%, including inflation

Investment rate of return

6.9%, net of investment related expense

**Notes:**

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



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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability:					
Service cost	\$ 300,153	\$ 241,568	248,909	\$ 323,084	\$ 332,611
Interest	752,807	781,604	624,382	653,559	839,734
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	<u>(566,113)</u>	<u>(600,465)</u>	<u>(499,040)</u>	<u>(531,909)</u>	<u>(712,671)</u>
Net change in total pension liability	486,847	(1,972,717)	374,251	2,837,518	459,674
Total OPEB liability - beginning	<u>10,732,510</u>	<u>11,219,357</u>	<u>9,246,640</u>	<u>9,620,891</u>	<u>12,458,409</u>
Total OPEB liability - ending	<u>11,219,357</u>	<u>9,246,640</u>	<u>9,620,891</u>	<u>12,458,409</u>	<u>12,918,083</u>
Plan fiduciary net position:					
Contributions - employer	880,974	915,326	755,791	763,348	1,055,879
Net investment income	11,450	27,212	79,090	122,082	1,054,505
Benefit payments, including refunds of member contributions	(566,113)	(600,465)	(499,040)	(531,909)	(712,671)
Administrative expense	<u>(1,125)</u>	<u>(26,500)</u>	<u>(1,717)</u>	<u>(36,141)</u>	<u>(2,523)</u>
Net change in plan fiduciary net position	325,186	315,573	334,124	317,380	1,395,190
Plan fiduciary net position - beginning	<u>1,741,352</u>	<u>2,066,538</u>	<u>2,382,111</u>	<u>2,716,235</u>	<u>3,033,615</u>
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>	<u>4,428,805</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>	<u>\$ 8,489,278</u>
Plan fiduciary net position as a percentage of the total OPEB liability	18.42%	25.76%	28.23%	24.35%	34.28%
Covered employee payroll	\$ 53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114	\$ 58,699,042
Net OPEB liability as a percentage of covered employee payroll	17.08%	12.81%	12.87%	17.57%	14.46%

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>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>	<u>2021</u>
Actuarially determined contribution	\$ 700,000	\$ 864,000	\$ 864,000	\$ 1,007,276	\$ 1,007,276	\$ 880,974	\$ 880,974	\$ 755,791	\$ 755,791	\$ 1,055,879
Contributions in relation to the actuarially determined contribution	<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>	<u>1,055,879</u>
Contribution Deficiency (Excess)	\$ <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>	\$ <u>-</u>
Covered-employee payroll	\$ N/A	\$ N/A	\$ N/A	\$ 51,315,810	\$ 51,315,810	\$ 53,602,318	\$ 53,602,318	\$ 53,648,114	\$ 53,648,114	\$ 58,699,042
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	1.96%	2.00%	1.64%	1.71%	1.41%	1.42%	1.80%

**Notes to Schedule**

Valuation Date July 1, 2019  
Measurement date June 30, 2021  
Actuarially determined contribution

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 FIVE FISCAL YEARS**

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Annual money-weighted rate of return, net of investment expense:	0.56%	1.15%	3.00%	4.19%	31.24%

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 FOUR FISCAL YEARS**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>28,911,595</u>	<u>21,897,445</u>	<u>22,155,482</u>	<u>24,465,693</u>
Total	<u>\$ 28,911,595</u>	<u>\$ 21,897,445</u>	<u>\$ 22,155,482</u>	<u>\$ 24,465,693</u>
Town's covered payroll	\$ 57,779,960	\$ 59,477,857	\$ 60,915,130	\$ 62,058,431
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%	2.50%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	<p>Based on the procedure described in GASB 75, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2020 was updated to equal the Municipal Bond Index Rate as of June 30, 2020;</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;</p> <p>Long-term health care cost trend rates were updated;</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated based on observed plan experience. Additionally, participants are no longer assumed to migrate from the Medicare Supplement Plan to the Medicare Advantage Plan after selecting an option; and,</p> <p>The Board adopted new assumptions as the result of an experience study for the five-year period ending June 30, 2019. The changes in assumptions are summarized below:</p> <ul style="list-style-type: none"> <li>- Decrease the annual rate of real wage increase assumption from 0.75% to 0.50%.</li> <li>- Decrease payroll growth assumption from 3.25% to 3.00%.</li> <li>- Rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.</li> </ul>
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

**Notes:**

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

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

# General Fund

**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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 54,328,360	\$ 40,290,946
Property taxes receivable (net of allowance of \$409,842 in 2021 and \$393,019 in 2020)	1,372,644	1,315,759
Intergovernmental receivables	252,748	
Other accounts receivable	1,232,105	814,053
Due from other funds	41,468	1,566,377
Prepaid items	<u>79,619</u>	
Total Assets	\$ <u>57,306,944</u>	\$ <u>43,987,135</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 4,298,050	\$ 2,548,993
Due to other funds	<u>13,262,244</u>	<u>5,139,554</u>
Total liabilities	<u>17,560,294</u>	<u>7,688,547</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	1,493,854	1,817,348
Unavailable revenue grant revenue	252,748	
Advance property tax collections	<u>3,026,734</u>	<u>3,792,616</u>
Total deferred inflows of resources	<u>4,773,336</u>	<u>5,609,964</u>
Fund balance:		
Nonspendable	79,619	
Restricted	1,409,700	
Committed	3,200,000	3,094,594
Assigned	2,131,191	4,813,890
Unassigned	<u>28,152,804</u>	<u>22,780,140</u>
Total fund balance	<u>34,973,314</u>	<u>30,688,624</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>57,306,944</u>	\$ <u>43,987,135</u>



**TOWN OF SOUTH WINDSOR, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2021**

Grand List	Uncollected Taxes July 1, 2020	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2021
		Additions	Deductions			Taxes	Interest	Total	
2019	\$ 108,772,639	\$ 153,292	\$ 452,063	\$	\$ 108,473,868	\$ 107,647,467	\$ 316,160	\$ 107,963,627	\$ 826,401
2018	745,764	281,687	297,613		729,838	418,143	162,294	580,437	311,695
2017	277,488	617,446	118,822	201	775,911	548,117	306,360	854,477	227,794
2016	212,102	1,146,645	391,065	77,552	890,130	773,693	739,266	1,512,959	116,437
2015	180,640	594,119	578,917	94,955	100,887	42,127	66,194	108,321	58,760
2014	45,004		32		44,972	12,424	9,787	22,211	32,548
2013	34,364				34,364	5,648	6,243	11,891	28,716
2012	36,254				36,254	5,071	6,948	12,019	31,183
2011	33,907				33,907	5,092	8,933	14,025	28,815
2010	37,007		113		36,894	5,669	11,350	17,019	31,225
2009	28,242		5,256		22,986	(1,322)	7,325	6,003	24,308
2008	22,106				22,106	1,297	2,735	4,032	20,809
2007	21,286				21,286	1,277	2,913	4,190	20,009
2006	14,610				14,610	1,175	2,785	3,960	13,435
2005	10,351				10,351		784	784	10,351
2004	9,653		9,653					-	-
	<u>\$ 110,481,417</u>	<u>\$ 2,793,189</u>	<u>\$ 1,853,534</u>	<u>\$ 172,708</u>	<u>\$ 111,248,364</u>	<u>\$ 109,465,878</u>	<u>\$ 1,650,077</u>	111,115,955	<u>\$ 1,782,486</u>

Property taxes receivable considered available:

June 30, 2020

(114,126)

June 30, 2021

542,249

Total Property Tax Revenue

\$ 111,544,078

# **Nonmajor Governmental Funds**

## **Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds							
	Town Aid Road	Small Cities	Animal Control	Town Hall Grants	Public Works Funds	Police Funds	Fees in Lieu of Open Space	Library
<b>ASSETS</b>								
Cash and cash equivalents	\$	\$ 9,907	\$	\$	\$	1,371	\$	\$ 77,906
Investments								193,563
Receivables:								
Accounts receivable					1,332			
Grants and contracts receivable								
Due from other funds	461,905		83,457	187,156	143,706	75,788	57,054	
Other assets				89				
Total Assets	\$ 461,905	\$ 9,907	\$ 83,457	\$ 187,245	\$ 145,038	\$ 77,159	\$ 57,054	\$ 271,469
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 218,327	\$ 9,900	\$ 10,992	\$ 1,084	\$	\$ 323	\$	\$
Due to other funds		3						
Unearned revenue								
Total liabilities	218,327	9,903	10,992	1,084	-	323	-	-
Fund Balances:								
Nonspendable								
Restricted	243,578	4		186,161	145,038	76,836		
Committed			72,465				57,054	271,469
Total fund balances	243,578	4	72,465	186,161	145,038	76,836	57,054	271,469
Total Liabilities and Fund Balances	\$ 461,905	\$ 9,907	\$ 83,457	\$ 187,245	\$ 145,038	\$ 77,159	\$ 57,054	\$ 271,469

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Special Revenue Funds							
	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodations	Scholarship Fund	High School Athletic Association	Student Activities Fund
<b>ASSETS</b>								
Cash and cash equivalents	\$ 158,970	\$ 137,428	\$ 149,475	\$ 214,920	\$ 70,248	\$ 243,749	\$	\$ 503,976
Investments								
Receivables:								
Accounts receivable		733			8,809			17,780
Grants and contracts receivable			19,669	287,179				
Due from other funds	656,384		396,963				9,365	
Other assets	9,900			20,704				
Total Assets	<u>\$ 825,254</u>	<u>\$ 138,161</u>	<u>\$ 566,107</u>	<u>\$ 522,803</u>	<u>\$ 79,057</u>	<u>\$ 243,749</u>	<u>\$ 9,365</u>	<u>\$ 521,756</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 75,201	\$ 65,939	\$ 61,953	\$ 98,134	\$ 64,096	\$	\$ 4,676	\$ 36,231
Due to other funds		31,515		9,950				
Unearned revenue	309,666		11,156	100,139	7,095			
Total liabilities	<u>384,867</u>	<u>97,454</u>	<u>73,109</u>	<u>208,223</u>	<u>71,191</u>	<u>-</u>	<u>4,676</u>	<u>36,231</u>
Fund Balances:								
Nonspendable				20,704				
Restricted			492,998	293,876		243,749	4,689	485,525
Committed	440,387	40,707			7,866			
Total fund balances	<u>440,387</u>	<u>40,707</u>	<u>492,998</u>	<u>314,580</u>	<u>7,866</u>	<u>243,749</u>	<u>4,689</u>	<u>485,525</u>
Total Liabilities and Fund Balances	<u>\$ 825,254</u>	<u>\$ 138,161</u>	<u>\$ 566,107</u>	<u>\$ 522,803</u>	<u>\$ 79,057</u>	<u>\$ 243,749</u>	<u>\$ 9,365</u>	<u>\$ 521,756</u>

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**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Human Services Fund	Community Use of Buildings	Fire Marshall Fund	Regional Animal Shelter	IT Reserve Fund	Health Grants Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$	\$ 200	\$	\$	\$ 1,568,150
Investments							193,563
Receivables:							
Accounts receivable		2,660					31,314
Grants and contracts receivable	13,806						320,654
Due from other funds	467,291	312,591	83	63,681	326,738	16,513	3,258,675
Other assets							30,693
Total Assets	<u>\$ 481,097</u>	<u>\$ 315,251</u>	<u>\$ 83</u>	<u>\$ 63,881</u>	<u>\$ 326,738</u>	<u>\$ 16,513</u>	<u>\$ 5,403,049</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 5,997	\$ 335	\$	\$ 89	\$	\$ 5,778	\$ 659,055
Due to other funds							41,468
Unearned revenue	725					8,824	437,605
Total liabilities	<u>6,722</u>	<u>335</u>	<u>-</u>	<u>89</u>	<u>-</u>	<u>14,602</u>	<u>1,138,128</u>
Fund Balances:							
Nonspendable							20,704
Restricted	474,375		83	63,792		1,911	2,712,615
Committed		314,916			326,738		1,531,602
Total fund balances	<u>474,375</u>	<u>314,916</u>	<u>83</u>	<u>63,792</u>	<u>326,738</u>	<u>1,911</u>	<u>4,264,921</u>
Total Liabilities and Fund Balances	<u>\$ 481,097</u>	<u>\$ 315,251</u>	<u>\$ 83</u>	<u>\$ 63,881</u>	<u>\$ 326,738</u>	<u>\$ 16,513</u>	<u>\$ 5,403,049</u>

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	Town Aid Road	Small Cities	Animal Control	Town Hall Grants	Public Works Funds	Police	Fees in Lieu of Open Space	Library
Revenues:								
Intergovernmental	\$ 383,811	\$ 734,646	\$	\$	\$	\$ 13,045	\$	\$ 14,064
Charges for services and assessments			19,796	44,883		52,516	2,033	4,093
Investment earnings		1				1		16,920
Miscellaneous	195			9,530	43,720			57,069
Total revenues	<u>384,006</u>	<u>734,647</u>	<u>19,796</u>	<u>54,413</u>	<u>43,720</u>	<u>65,562</u>	<u>2,033</u>	<u>92,146</u>
Expenditures:								
Current:								
General government				6,468			872	
Public safety			11,037			57,438		
Public works	646,850	734,646		4,132	5,313			
Human services								21,518
Culture and recreation								
Education								
Total expenditures	<u>646,850</u>	<u>734,646</u>	<u>11,037</u>	<u>10,600</u>	<u>5,313</u>	<u>57,438</u>	<u>872</u>	<u>21,518</u>
Excess (Deficiency) of Revenues over Expenditures	(262,844)	1	8,759	43,813	38,407	8,124	1,161	70,628
Other Financing Uses:								
Transfer out								(4,669)
Net Change in Fund Balance	(262,844)	1	8,759	43,813	38,407	8,124	1,161	65,959
Fund Balances at Beginning 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>	<u>205,510</u>
Fund Balances at End of Year	\$ <u>243,578</u>	\$ <u>4</u>	\$ <u>72,465</u>	\$ <u>186,161</u>	\$ <u>145,038</u>	\$ <u>76,836</u>	\$ <u>57,054</u>	\$ <u>271,469</u>

(Continued on next page)

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds							
	Recreation	BOE	Education Grants	Cafeteria	BOE Accommodations	Scholarship Fund	High School Athletics Association	Student Activities Fund
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services and assessments	1,036,333	73,750	4,030,454	1,011,070	680,321		21,674	405,883
Investment earnings	117	7		227,282		353	38	52
Miscellaneous		2,158		124				
Total revenues	<u>1,036,450</u>	<u>75,915</u>	<u>4,030,454</u>	<u>1,238,476</u>	<u>680,321</u>	<u>353</u>	<u>21,712</u>	<u>405,935</u>
Expenditures:								
Current:								
General government								
Public safety								
Public works								
Human services								
Culture and recreation	1,228,082							
Education		86,852	4,044,613	1,162,938	695,743		10,408	329,124
Total expenditures	<u>1,228,082</u>	<u>86,852</u>	<u>4,044,613</u>	<u>1,162,938</u>	<u>695,743</u>	<u>-</u>	<u>10,408</u>	<u>329,124</u>
Excess (Deficiency) of Revenues over Expenditures	(191,632)	(10,937)	(14,159)	75,538	(15,422)	353	11,304	76,811
Other Financing Uses:								
Transfer out	(125,006)							
Net Change in Fund Balance	(316,638)	(10,937)	(14,159)	75,538	(15,422)	353	11,304	76,811
Fund Balances at Beginning of Year	<u>757,025</u>	<u>51,644</u>	<u>507,157</u>	<u>239,042</u>	<u>23,288</u>	<u>243,396</u>	<u>(6,615)</u>	<u>408,714</u>
Fund Balances at End of Year	<u>\$ 440,387</u>	<u>\$ 40,707</u>	<u>\$ 492,998</u>	<u>\$ 314,580</u>	<u>\$ 7,866</u>	<u>\$ 243,749</u>	<u>\$ 4,689</u>	<u>\$ 485,525</u>

(Continued on next page)



**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Human Services Fund	Community Use of Buildings	Fire Marshall Fund	Regional Animal Shelter	IT Reserve Fund	Health Grants Fund	
Revenues:							
Intergovernmental	\$ 18,601	\$	\$	\$	\$	38,760	\$ 6,244,451
Charges for services and assessments	49,458	51,625					2,669,647
Investment earnings							17,613
Miscellaneous	135,728			62,929	137,044		448,373
Total revenues	<u>203,787</u>	<u>51,625</u>	<u>-</u>	<u>62,929</u>	<u>137,044</u>	<u>38,760</u>	<u>9,380,084</u>
Expenditures:							
Current:							
General government					99,320		106,660
Public safety				37,503			105,978
Public works							1,390,941
Human services	155,043					36,849	191,892
Culture and recreation							1,249,600
Education		7,638					6,337,316
Total expenditures	<u>155,043</u>	<u>7,638</u>	<u>-</u>	<u>37,503</u>	<u>99,320</u>	<u>36,849</u>	<u>9,382,387</u>
Excess (Deficiency) of Revenues over Expenditures	48,744	43,987	-	25,426	37,724	1,911	(2,303)
Other Financing Uses:							
Transfer out							(129,675)
Net Change in Fund Balance	48,744	43,987	-	25,426	37,724	1,911	(131,978)
Fund Balances at Beginning of Year	<u>425,631</u>	<u>270,929</u>	<u>83</u>	<u>38,366</u>	<u>289,014</u>	<u>-</u>	<u>4,396,899</u>
Fund Balances at End of Year	<u>\$ 474,375</u>	<u>\$ 314,916</u>	<u>\$ 83</u>	<u>\$ 63,792</u>	<u>\$ 326,738</u>	<u>\$ 1,911</u>	<u>\$ 4,264,921</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, 2021**

	<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	\$ 748,223	\$ 748,223	\$ 138,871	\$ (609,352)
Veterans' memorial park	371,511	371,511	258,726	(112,785)
4th R Revenue	973,740	973,740	458,199	(515,541)
Outdoor	58,910	58,910	29,273	(29,637)
Indoor	160,070	160,070	21,780	(138,290)
Social/cultural	88,135	88,135	8,938	(79,197)
Recreation facilities	67,635	67,635	16,993	(50,642)
Contracted Recreation Programs	321,335	321,335	69,234	(252,101)
Preschool	166,640	166,640	34,321	(132,319)
Investment income			117	117
Miscellaneous			3,778	3,778
Total revenues	<u>2,956,199</u>	<u>2,956,199</u>	<u>1,040,230</u>	<u>(1,915,969)</u>
Expenditures:				
Current:				
Day camp	716,222	716,222	326,695	389,527
4th R Personal Services	973,264	973,264	524,145	449,119
Veterans' memorial park	377,492	377,492	197,506	179,986
Outdoor	69,780	69,780	8,504	61,276
Indoor	168,258	168,258	11,609	156,649
Social/cultural	140,980	140,980	51,451	89,529
Recreation facilities	41,732	41,732	182,407	(140,675)
Contracted Rec Programs	309,426	309,426	85,778	223,648
Preschool	165,793	165,793	42,691	123,102
Total expenditures	<u>2,962,947</u>	<u>2,962,947</u>	<u>1,430,786</u>	<u>1,532,161</u>
Excess (Deficiency) of Revenues over Expenditures	(6,748)	(6,748)	(390,556)	(383,808)
Other Financing Sources (Uses):				
Transfers out			(125,006)	(125,006)
Utilization of fund balance	<u>246,673</u>	<u>246,673</u>		<u>(246,673)</u>
Net Change in Fund Balance	<u>\$ 239,925</u>	<u>\$ 239,925</u>	<u>(515,562)</u>	<u>\$ (755,487)</u>
Fund Balance at Beginning of Year			<u>780,885</u>	
Fund Balance at End of Year			<u>\$ 265,323</u>	

Reconciliation to GAAP Basis

	<u>Revenues</u>	<u>Expenditures</u>
Balance, Budgetary Basis - End of Year	\$ 1,040,230	\$ 1,430,786
Accrued payroll not budgeted		1,261
Encumbrances outstanding at beginning of year liquidated and cancelled during the current year	(3,780)	158
Encumbrances charged to budgetary expenditures during the current year		<u>(204,123)</u>
Balance, GAAP Basis - End of Year	<u>\$ 1,036,450</u>	<u>\$ 1,228,082</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 Postemployment Benefit Trust Fund** - to account for the activities for both Town and Board of Education for other postemployment benefits (e.g., health insurance, life insurance) which accumulate resources for other postemployment benefit payments to qualified employees.

**TOWN OF SOUTH WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**  
**JUNE 30, 2021**

	<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>		
Assets:				
Cash and cash equivalents	\$ 1,293,657	\$ 598,288	\$ 27,254	\$ 1,919,199
Investments:				
Mutual funds	<u>40,741,202</u>	<u>19,065,854</u>	<u>4,401,551</u>	<u>64,208,607</u>
Total assets	<u>42,034,859</u>	<u>19,664,142</u>	<u>4,428,805</u>	<u>66,127,806</u>
Net Position:				
Restricted for Pension Benefits and Other Purposes	<u>\$ 42,034,859</u>	<u>\$ 19,664,142</u>	<u>\$ 4,428,805</u>	<u>\$ 66,127,806</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, 2021**

	<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	\$ 2,952,021	\$ 570,615	\$ 1,055,879	\$ 4,578,515
Employee	309,496	165,128		474,624
Total contributions	<u>3,261,517</u>	<u>735,743</u>	<u>1,055,879</u>	<u>5,053,139</u>
Investment income:				
Net change in fair value investments	<u>9,682,823</u>	<u>4,504,993</u>	<u>1,054,505</u>	<u>15,242,321</u>
Total additions	<u>12,944,340</u>	<u>5,240,736</u>	<u>2,110,384</u>	<u>20,295,460</u>
Deductions:				
Benefits	2,591,268	1,015,549	712,671	4,319,488
Administration	<u>76,646</u>	<u>44,552</u>	<u>2,523</u>	<u>123,721</u>
Total deductions	<u>2,667,914</u>	<u>1,060,101</u>	<u>715,194</u>	<u>4,443,209</u>
Changes in Net Position	10,276,426	4,180,635	1,395,190	15,852,251
Net Position at Beginning of Year	<u>31,758,433</u>	<u>15,483,507</u>	<u>3,033,615</u>	<u>50,275,555</u>
Net Position at End of Year	<u>\$ 42,034,859</u>	<u>\$ 19,664,142</u>	<u>\$ 4,428,805</u>	<u>\$ 66,127,806</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	94-97
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	98-100
These schedules contain information to help the reader assess the Town's most significant local revenue source, property taxes.	
Debt Capacity	101-104
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	105-106
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	107-108
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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net investment in capital assets	\$ 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	\$ 181,142,167
Restricted										4,122,315
Unrestricted	<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>	<u>14,945,260</u>
Total Governmental Activities Net Position	<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>	<u>\$ 200,209,742</u>

\* Restated for GASB 68

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 5,268,652
Public safety	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	11,919,633
Public works	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	18,883,042
Human services	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	1,567,870
Culture and recreation	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	5,890,752
Education	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	109,108,696
Debit service interest	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	1,275,032
Total Governmental Activities Expenses	<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>	<u>153,913,677</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	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	3,035,551
Public safety	122,635	116,885	94,031	146,221	187,007	151,502	315,661	211,142	351,591	360,550
Public works	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	5,724,964
Human services	71,340	86,393	87,797	100,976	208,544	354,339	313,672	481,457	211,860	92,997
Culture and recreation	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	1,009,269
Education	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	1,243,934
Operating grants and contributions:										
General government	171,502	259,305	222,531	481,542	287,925	207,271	213,749	247,800	489,405	1,565,303
Public safety	167,775	115,056	82,222	60,481	198,884	51,178	77,866	127,748	50,249	28,466
Public works	563,510	496,348	404,160	395,417	388,764	446,383	414,628	428,182	389,533	654,103
Human services	83,411	81,856	108,808	102,950	106,027	117,242	109,254	109,308	131,349	112,814
Culture and recreation	40,421	41,304	36,038	43,098	49,800	47,555	40,411	37,784	36,241	71,133
Education	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	40,828,019
Interest on long-term debt										78,977
Capital grants and contributions:										
General government			170,906	75,344	71,433	1,946,226	73,676	19,038	7,300	199,519
Public safety	1,162,761	149,528								
Public works	173,981	7,525	759,237	310,314	1,398,722	11,130,720	3,653,882	2,689,236	12,570,710	6,384,134
Human services	7,673,048	1,786,113								
Culture and recreation										
Education							380,897	590,440	520,752	
Total Governmental Activities Revenues	<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>	<u>61,389,733</u>
Total Governmental Activities Net Expense	<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>	<u>(92,523,944)</u>
General Revenues and Other:										
Changes in Net Position:										
Governmental activities:										
Property taxes	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	110,588,208
Grants and contributions not restricted to specific programs	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	2,025,279
Unrestricted investment earnings	117,606	130,745	156,863	183,329	121,033	251,754	472,021	1,047,880	896,562	85,687
Other general revenues, net	3,689			26,834	32,101	55,663				29,560
Total Primary Government	<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>	<u>112,728,734</u>
Change in Net Position:										
Total Governmental Activities	\$ <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>	\$ <u>20,204,790</u>

TABLE 3

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 135,863	\$ 17,508	\$ 18,722	\$ 970	\$	\$ 2,442	\$ 9,307	13,500	\$	\$ 79,619
Restricted										1,409,700
Committed							1,500,000	3,000,000	3,094,594	3,200,000
Assigned	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	2,131,191
Unassigned	<u>3,504,042</u>	<u>5,042,748</u>	<u>5,238,041</u>	<u>5,329,639</u>	<u>8,035,255</u>	<u>9,467,497</u>	<u>11,247,314</u>	<u>15,245,581</u>	<u>22,780,140</u>	<u>28,152,804</u>
Total General Fund	<u>\$ 5,053,337</u>	<u>\$ 6,676,726</u>	<u>\$ 7,029,505</u>	<u>\$ 6,858,362</u>	<u>\$ 10,131,880</u>	<u>\$ 11,091,806</u>	<u>\$ 14,049,952</u>	<u>\$ 22,084,160</u>	<u>\$ 30,688,624</u>	<u>\$ 34,973,314</u>
All other governmental funds:										
Nonspendable	\$ 29,687	\$ 33,293	\$ 42,355	\$ 56,678	\$ 39,488	\$ 28,426	\$ 31,054	\$ 20,485	\$ 20,735	\$ 20,704
Restricted	746,991	760,375	836,513	857,917	839,148	1,205,414	1,483,623	1,555,342	1,756,737	2,712,615
Committed	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	3,602,594
Assigned										
Unassigned	<u>(24,089,935)</u>	<u>(48,018)</u>	<u>(282,640)</u>	<u>(28,482)</u>	<u>(3,742,300)</u>	<u>(4,386,400)</u>	<u>(9,160)</u>	<u>(4,261,831)</u>	<u>(24,977,685)</u>	<u>(5,177,951)</u>
Total All Other Governmental Funds	<u>\$ (18,159,586)</u>	<u>\$ 3,828,268</u>	<u>\$ 4,524,631</u>	<u>\$ 7,029,479</u>	<u>\$ (394,970)</u>	<u>\$ 94,022</u>	<u>\$ 4,239,052</u>	<u>\$ 1,082,236</u>	<u>\$ (19,342,823)</u>	<u>\$ 1,157,962</u>

TABLE 4

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

	FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property taxes	\$ 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	\$ 110,911,702
Intergovernmental	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	37,059,402
Charges for goods and services	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	11,964,484
Investment earnings	108,011	125,044	150,955	61,316	111,262	242,072	459,306	1,032,556	885,783	83,384
Miscellaneous	399,235	310,672	288,393	360,338	463,547	389,669	349,326	422,353	414,168	456,418
Total revenues	<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>	<u>160,475,390</u>
Expenditures:										
Current:										
General government	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	4,353,621
Public safety	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	9,489,706
Public works	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	13,628,295
Human services	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	1,245,023
Culture and recreation	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	4,704,368
Insurance and sundry	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	8,392,989
Education	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	95,355,853
Capital outlay	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	18,800,903
Debit service:										
Principal	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	5,348,656
Interest	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	4,460,621
Total expenditures	<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>	<u>165,780,035</u>
Deficiency of Revenues over Expenditures	<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>	<u>(5,304,645)</u>
Other Financing Sources:										
Proceeds from bond refunding	15,185,000	27,516,583	6,615,000	5,160,000			4,125,000	9,155,000	-	19,110,000
Premium on bonds	1,112,007		731,924	78,540	207,067	739,043	524,383	1,718,700	574,216	3,476,544
Payments to escrow agents	(15,912,713)		(7,163,837)				(5,567,886)	(10,623,910)	-	(21,129,324)
Premiums on bond anticipation notes										78,977
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	27,000,000
Proceeds from leases	684,547	363,951	480,552	826,352	2,946,407	477,850	881,013	514,134	778,480	1,145,209
Transfers in	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	3,758,576
Transfers out	(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)	(3,758,576)
Total other financing sources	<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>	<u>29,681,406</u>
Net Change in Fund Balances	<u>(5,822,513)</u>	<u>23,611,238</u>	<u>1,049,142</u>	<u>2,333,710</u>	<u>(4,150,931)</u>	<u>1,448,918</u>	<u>7,369,709</u>	<u>4,610,859</u>	<u>(11,820,595)</u>	<u>24,376,761</u>
Fund Balance at Beginning 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>11,754,515</u>
Fund Balance at End of Year	<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>	<u>\$ 36,131,276</u>
Debt Service as a Percentage to Noncapital Expenditures	14.52%	6.85%	6.30%	5.75%	5.40%	5.43%	6.21%	6.34%	8.71%	7.58%

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>
2021	1,814,742,198	548,984,417	421,117,070	245,327,963	176,178,614	2,853,993,034	37.88	4,077,132,906
2020	1,954,515,583	534,398,778	394,178,512	234,363,918	348,373,852	2,769,082,939	38.5	3,955,832,770
2019 <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

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	2021			2012		
		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	\$ 107,162,030	1	36.86%	\$ 54,721,480	1	27.30%
Evergreen Walk Lifestyle Center	Real Estate	31,928,600	2	10.98%	37,844,660	2	18.88%
Aldi Inc.	Distribution	29,139,520	3	10.02%			
Suri Realty LLC	Real Estate	21,006,800	4	7.23%			
DST Output East, LLC	Services			0.00%	12,179,790	6	6.08%
Dell Equipment Funding	Services	17,679,230	6	6.08%			0.00%
FEM Sullivan Road LLC	Services	17,344,700	7	5.97%			0.00%
South Windsor Developers, LLC	Services	20,467,900	5	7.04%			0.00%
Doosan Fuel Cell America Inc	Utility	15,513,960	8	5.34%			
Macy's Retail Holdings, LLC	Real Estate			0.00%	20,560,230	3	10.26%
Town Center of South Windsor	Retail			0.00%	16,099,020	4	8.03%
Carlas Past Inc.	Services	15,211,940	10	5.23%			0.00%
Benchmark GPT Windsor LLC	Healthcare			0.00%	11,633,500	7	5.80%
Electro Methods Inc	Utility	15,291,600	9	5.26%			
Target Corp.	Retail			0.00%	11,443,200	8	5.71%
Ventas Realty L.P.	Real Estate			0.00%	11,206,660	9	5.59%
Lowes Home Center	Retail			0.00%	11,044,950	10	5.51%
Evergreen Walk, LLC	Real Estate			0.00%	13,744,680	5	6.86%
	Total	\$ 290,746,280		100.00%	\$ 200,478,170		100.00%

Source: Town of South Windsor- Assessor  
2021 - October 1, 2019 Assessment  
2012 - October 1, 2010 Assessment

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
2021	\$ 2,885,438,189	37.88	<sup>(1)</sup> 108,473,868	107,647,467	99.24%	-	107,647,467	99.24%
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%

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>
2021	\$ 81,035,000	\$ 17,102,073	\$ 3,058,540	\$ 101,195,613	2.48%	\$	3,759	0.05%	
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%	

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>	<b>Assessed Value of Property<sup>(1)</sup></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>
2021	26,918	\$ 2,853,993,034	\$ 98,137,073	3.44%	\$ 3,646	0.00%
2020	25,806	2,769,082,939	79,471,584	2.87%	3,080	0.14%
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%

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 760,832,149
Total net debt applicable to limit	<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>	<u>196,009,385</u>
Legal Debt Margin	<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>	<u>\$ 564,822,764</u>
Total net debt applicable to the limit as a percentage of debt limit	15.32%	12.83%	11.90%	11.63%	14.24%	12.54%	12.92%	18.97%	19.17%	25.76%

**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 2021 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, 2021**

Total tax collections (including interest and lien fees) received by Treasurer for the year ended June 30, 2020

\$ 108,690,307

	<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	\$ 244,553,191	\$	\$	\$	\$
4-1/2 times base		489,106,382			
3-3/4 times base			407,588,651		
3-1/4 times base				353,243,498	
3 times base					326,070,921
Total debt limitation	<u>244,553,191</u>	<u>489,106,382</u>	<u>407,588,651</u>	<u>353,243,498</u>	<u>326,070,921</u>
Indebtedness:					
Bonds payable	25,558,000	55,477,000	16,555,000		
Bond anticipation notes	5,000,000	1,000,000			
CWF notes payable			547,073		
Authorized, unissued bonds	<u>7,602,583</u>	<u>72,546,317</u>	<u>11,723,412</u>		
Total indebtedness	<u>38,160,583</u>	<u>129,023,317</u>	<u>28,825,485</u>	-	-
Net indebtedness	<u>38,160,583</u>	<u>129,023,317</u>	<u>28,825,485</u>	-	-
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 206,392,608</u>	<u>\$ 360,083,065</u>	<u>\$ 378,763,166</u>	<u>\$ 353,243,498</u>	<u>\$ 326,070,921</u>

Note 1: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$760,832,149)

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		
2021	26,918	47,910	107,374	43.2	96.6	48.2	4,588	4.0%
2020	25,823	38,505	99,774	43.2	96.6	48.2	4,521	3.0%
2019	25,802	38,505	99,774	43.3	95.8	49.8	4,239	3.0%
2018	25,806	38,505	99,774	43.3	92.6	44.6	4,142	3.8%
2017	25,806	38,505	99,774	43.3	92.6	44.6	4,071	4.2%
2016	25,793	38,505	99,774	43.3	92.6	44.6	4,032	5.1%
2015	25,789	38,505	99,774	43.3	92.6	44.6	4,100	5.2%
2014	25,803	38,505	99,774	43.3	92.6	44.6	4,174	5.4%
2013	25,837	38,505	99,774	43.3	92.6	44.6	4,194	6.0%
2012	25,812	38,505	99,774	43.3	92.6	44.6	4,288	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	2021			2012		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of South Windsor	Municipality	891	1	24.28%	787	1	25.91%
DST Output	Services	650	2	17.71%	719	2	23.67%
Ticket Network	Services	441	3	12.02%	314	4	10.34%
The May Company	Distributor	389	4	10.60%	389	3	12.81%
Gerber Scientific	Manufacturing			0.00%			0.00%
Doosan Fuel Cell America	Manufacturing	320	5	8.72%			0.00%
Target Department Stores	Retailing	250	6	6.81%	265	5	8.73%
Super Stop & Shop	Retailing	221	7	6.02%			0.00%
Performance Food Group	Distributor	183	8	4.99%			0.00%
Lowe's Home Improvement	Retailing	170	9	4.63%	150	7	4.94%
Electro Methods	Manufacturing	155	10	4.22%	173	6	5.70%
HPC Food Services	Wholesaler			0.00%	140	8	4.61%
Eastern CT Health Network	Medical			0.00%	100	9	3.29%
Pioneer Aerospace	Manufacturing			0.00%			0.00%
Total		3,670		100.00%	3,037		100.00%

TABLE 14

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

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b><u>Function/Program</u></b>										
General government										
Town Manager's Office	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Registrar of Voters	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	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	5.0	4.0	4.0	5.0	5.0
Public Safety	63.0	60.0	58.0	58.0	54.0	54.0	54.0	54.0	52.0	54.0
Public Works	47.0	50.0	50.0	49.0	47.0	47.0	47.0	47.0	45.0	48.0
Public Health	2.0	2.0	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	3.0	4.0
Human Services	13.0	12.0	12.0	11.0	8.0	8.0	8.0	8.0	9.0	9.0
Culture and Recreation	23.0	22.0	22.0	22.0	18.0	18.0	18.0	18.0	19.0	18.0
Library	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0
Education	692.0	677.0	668.0	657.0	618.0	628.0	638.0	639.0	628.0	609.0
Total	886.0	869.0	857.0	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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b><u>Police</u></b>										
General service calls	29,766	28,341	27,223	30,055	32,521	28,306	33,068	33,329	34,562	44,701
Criminal Arrests	304	337	333	428	490	630	427	643	569	645
Traffic accidents	330	455	486	416	659	395	399	584	586	410
<b><u>Fire Marshal</u></b>										
Fire Investigations Completed	16	22	35	31	10	27	23	19	10	18
Inspections	836	1,504	1,989	1,875	1,500	1,545	2,565	1,704	850	588
<b><u>Public Works</u></b>										
GIS Dashboard Requests*	1,218	1,050	800	1,159	1,200	1,100	958	903	700	375
Snow Routes	7	17	17	22	22	20	21	21	21	21
Miles of Road Plowed	141	140	140	140	140	140	140	140	140	140
Road Surface Treatment Miles	18	13	13	21.1	6.5	6.2	4.3	5.6	2.0	1.0
Catch Basins Cleaned	1,809	2,400	1,900	2,001	1,891	1,736	1,997	2,048	1,677	2,896
<b><u>Health/Human Services</u></b>										
Food Service Inspections <sup>(1)</sup>	86	183	288	226	175	140	107	195	147	103
Child Care Facility Inspections	9	8	6	12	5	11	3	13	11	13
Youth Development Participants	1,132	1,648	2,456	921	901	913	1,900	2,797	600	1,899
Teen Center Participants	58	263	305	247	245	254	275	313	500	427
<b><u>Parks and Recreation</u></b>										
Athletic Fields Maintained	28	28	28	28	28	25	25	25	23	23
Baseball/Softball Fields maintained	16	16	16	16	16	16	16	16	16	16
<b><u>Library</u></b>										
Total Circulation	163,795	178,956	224,924	296,100	222,000	231,708	268,030	277,000	283,300	284,291
Library Sponsored Programs	354	543	597	857	575	568	562	433	500	487
<b><u>Wastewater</u></b>										
Wastewater Treated (million gallons)	888	908	997	824	900	817	857	909	800	808
Emergency Call-outs/Alarms	65	61	54	86	90	102	94	142	110	148
Miles of Sewer Line Cleaned	44	8	15	30	30	7.75	5.5	18.5	12.00	2.80

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b><u>Function/Program</u></b>										
<b>Public safety</b>										
<i>Police:</i>										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	44	44	44	44	42	42	42	42	42	42
<i>Fire:</i>										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	14	14	14	14	13	13	13	13	13	13
Hydrants	981	981	976	949	949	937	927	890	890	890
<b>Public works</b>										
Vehicles/Equipment	185	162	158	158	156	116	114	102	105	102
Streets (miles)	141	140	140	140	140	140	140	140	140	140
<b>Parks &amp; Recreation</b>										
Vehicles (road)	19	19	17	15	14	14	13	13	12	13
Acreage	957.97	957.97	957.97	840.53	840.53	840.53	840.53	840.53	812.94	812.94
Playgrounds	3	3	3	2	2	2	2	2	2	2
Athletic fields	44.5	44.5	44.5	41.5	41.5	41.5	41.5	41.5	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	4	4	4	4	4	4	4	4	4	3
Vehicles	2	2	2	2	2	2	2	2	2	2
<b>Education</b>										
Schools	7	7	6	6	7	7	7	7	7	7



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