

TOWN OF WINCHESTER CONNECTICUT



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

TOWN OF WINCHESTER CONNECTICUT

Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2023

Prepared By
Winchester Finance Department
Winsted, Connecticut 06098

TOWN OF WINCHESTER, CONNECTICUT

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Introductory Section

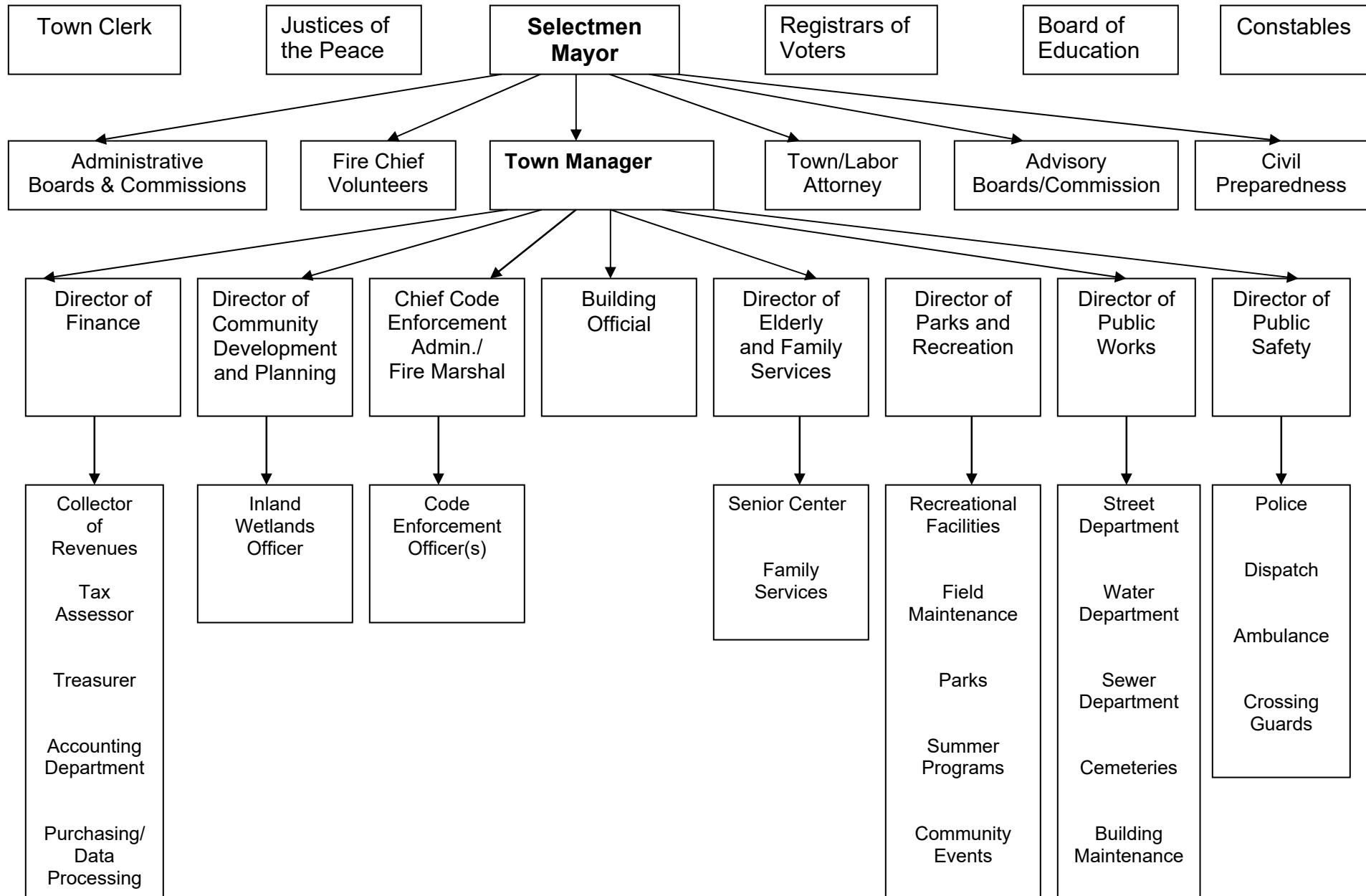
TOWN OF WINCHESTER, CONNECTICUT

List of Elected and Appointed Officials

As of June 30, 2023

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>
Mayor:	Todd Arcelaschi	Appointed
Board of Selectman:	Todd Arcelaschi	Elected
	Jack Borque	Elected
	Candace Bouchard	Elected
	Linda Groppo	Elected
	Jonathan Mordhardt	Elected
	Althea Candy Perez	Elected
	Steven Sedlack	Elected
Board of Assessment Appeals:	John Herman, Chairman	Appointed
	Troy Lamere	Appointed
	Joel Stewart	Appointed
	Vacant Seat	Appointed
	Alison Pierce	Alternate
	Todd Arcelaschi	Liaison
Director of Public Works:	James Rollins	Appointed
Town Manager:	Paul Harrington	Appointed
Director of Finance:	Ann Marie Rheault	Appointed
Treasurer:	Cynthia E. Rines	Appointed
Tax Collector:	Ashley Kelsey	Appointed
Town Clerk:	Glenn S. Albanesus	Elected
Purchasing Agent:	Vacant	Appointed
Town Assessor:	David Dietsch	Appointed
Superintendent of Schools:	Melony Brady-Shanley	Appointed

TOWN OF WINCHESTER, CONNECTICUT
Organizational Chart of the Town Government





TOWN OF WINCHESTER – CITY OF WINSTED

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

June 26, 2024

Honorable Mayor Todd Arcelaschi

Members of The Board of Selectmen

Town Manager Paul Harrington

Citizens of the Town of Winchester

The Finance Department is pleased to transmit the Annual Comprehensive Financial Report (ACFR) of the Town of Winchester for the fiscal year ended June 30, 2023. The report includes the independent auditors' report as required by the Town Charter and the Connecticut Statutes. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

State law requires that every general-purpose local government publish, within 6 months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established for this purpose. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met, including producing financial statements that are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the anticipated benefits.

King, King & Associates, CPAs have issued an unqualified opinion on the Town of Winchester's financial statements for the fiscal year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

State and federal "single audits" were also performed as required by state and federal law, respectively. The purpose of these audits is to determine whether the Town of Winchester complied with the laws and regulations and applicable compliance requirements of the major state and federal assistance programs, and whether the Town maintained controls to assure compliance.

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

The Town of Winchester is an equal opportunity provider, employer and lender.

Profile of the Town of Winchester

The Town of Winchester, located in Litchfield County, is a political subdivision located approximately thirty miles northwest of Hartford in the watersheds of the Farmington and Naugatuck Rivers. It is bordered on the north by the Town of Colebrook, on the south by the City of Torrington, on the east by the Town of Barkhamsted, and on the west by the Towns of Norfolk and Goshen. It covers a land area of approximately thirty-four square miles. What is commonly referred to as the City of Winsted is located within the Town of Winchester, but there exists no separate government or other political distinction (the terms “Winchester” and “Winsted” are used interchangeably by area residents). Winchester was first settled in 1732 and incorporated as a Town in 1771.

The Town sits at the crossroads of U.S. Route 44 and State Route 8. State Routes 20, 183 and 263 also traverse the Town. The Town has approximately eighty miles of Town roads, of which approximately seventy-six miles are paved. State-controlled and maintained roads account for an additional twenty-three miles.

The Town of Winchester is governed under a home-rule charter, as amended in 2019, that provides a Manager/Selectmen/Town Meeting form of government with a seven-member Board of Selectmen that also serves as the Board of Finance. Elections for the Board of Selectmen are held in November in every odd-numbered year. The residents also have the powers and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The Town Manager is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman, or officially titled “Mayor,” presides over the Board of Selectmen and has full voting privileges on the Board. The Board of Selectmen appoints members to various commissions and boards.

The Town’s annual Budget Meeting is held on the second Monday in May. Prior to adjournment to Budget Referendum, the electors at the Budget Meeting review the budget as presented by the Board of Selectmen and have the power to decrease, but not increase, any line-item of the budget. The Budget Meeting is then adjourned to a referendum for approval. The approved budget serves as the foundation for the Town’s financial planning and control.

The Town provides a full range of services, including general government operations; police and fire protection; the construction and maintenance of highways, streets and other infrastructure; health and welfare services; cultural and recreational activities; economic development support; and education. Water and wastewater treatment and distribution are under the control of an independent Water and Sewer Commission (appointed by the Board of Selectmen).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Winchester operates.

The Town of Winchester is an equal opportunity provider, employer and lender.

Economic Condition and Outlook

Winchester is primarily a residential community with single-family homes. Most residents are employed in the manufacturing, education, health and social services categories. Recent data from the CT Data Collaborative indicates that Winchester's 2017-2021 median household income was \$65,537, as compared to the State of Connecticut's \$83,572. The Town's population as of July 2022 was 10,240 according to State of Connecticut Department of Health statistics.

In accordance with State of Connecticut statutes, the Town conducted a property revaluation in 2017. The next scheduled revaluation including a physical inspection of all properties, which was not part of the 2017 revaluation, is slated for the October 2022 grant list.

As of June 30, 2023, the Town's unassigned General Fund balance was \$8,912,178, which represents 25.4 percent of fiscal year 2023 General Fund budgeted expenditures. Moody's Investor Services assigned an Issuer Rating of AA to the Town on September 6, 2019.

In fiscal year 2023, the Town spent \$679,865 on approved projects utilizing American Rescue Plan Act funds.

Major Initiatives

Land Use and Zoning Regulations

In fiscal year 2023, the Town has fully implemented its online permitting software platform and provides online regulations and ordinances to help streamline its processes. The Town continues to invest in its Land Use department, which is now operating with a full staff including a Town Planner and an Enforcement Officer. Full staffing has allowed the department to heighten its attention to detail and increase all levels of enforcement for zoning, wetlands, blight and building code, fire code and rental inspections, planning and pre-application meetings.

Regional Outreach

The Town is a member of the regional planning organization, the Northwest Hills Council of Governments (NHCOG). A popular and effective program among the twenty-one member towns is the Public Works Equipment Cooperative, which enables member towns to share pieces of heavy-duty equipment related to public works activities. The Town currently works hand-in-hand with neighboring towns in emergency situations through mutual aid agreements and the Town has also established shared service agreements for the Fire Marshal and Economic Development personnel to the Town of Barkhamsted.

Brownfields

The former brownfield location known as Winsted Edge Works, continues to expand as a thriving business site. In addition to the local craft brewery and pub at 32 Lake Street, which has expanded its offerings and space, the site now houses a local ax throwing entertainment facility.

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Economic Development

The Economic Development Commission is committed to expanding the Town's commercial and industrial base and constantly looks for opportunities to create readily marketable properties in the Town's industrial and commercial zoned areas, including the adaptive reuse of former mill sites. In fiscal year 2023, the Director of Economic Development continued to market the Town via locally hosted business forums showcasing the Town's potential.

The Town is pursuing grants for property development, facilities improvements, and recreational funding. In 2016, the Town was awarded \$1.5 million to extend the Sue Grossman Trail, a bike and pedestrian greenway, into the downtown area, which was nearing completion in FY 2023.

During the fiscal year, the Town saw continued regrowth of its Main Street corridor with the opening of several new businesses. Through the American Rescue Plan Act funds and a previously obtained Building Healthier Communities Grant from Hartford Healthcare, the Town continued to see improvements in the business landscape as a result of previously granted Façade Improvement Forgivable Loans and Business Start-Up Forgivable Loans. Both of these initiatives have revitalized the Town's economic development in its downtown core.

The Town of Winchester pursued additional grant funding towards enriching community development and strengthening town facilities. In December 2022, the U.S. Congress and President Biden passed the omnibus appropriation bill. This spending bill included two significant development opportunities for Winchester: \$2,530,000 for the renovation of the Public Works facility, and \$850,000 for the purchase of new radios for municipal departments. To further improve public safety, \$50,000 in grant funding was applied for and awarded for additional police overtime explicitly for rural road safety enforcement.

With Highland Lake as a regional attraction for outdoor recreation, supplemental grant funding was sought after, awarded, and invested into a study of and the subsequent treatment of aquatic invasive species within the watershed ecosphere. Running parallel to Highland Lake, the Mad River was proposed as a location for outdoor, multi-use trail development. The Connecticut Department of Energy and Environmental Protection (DEEP) awarded Winchester \$60,000 for the engineering of the first of four phases of the Mad River Recreation Area Trail.

Labor Contracts

During the fiscal year, the Town began negotiations for the renewal of the UPSEU COPS Police Contract that expired in FY 2022.

Infrastructure

Since July 2016, the Town has continued to focus on the reconstruction and/or resurfacing of local roads. In May 2022, voters at referendum approved the borrowing of up to \$24.7 million for the reconstruction of approximately 20 different roads and bridges over the next five years and allocating funds for the replacement of the Town's ladder truck, \$600,000 in sidewalk repairs and replacement, and \$1 million for improvements to drainage around Highland Lake.

In April 2023, the Town of Winchester bonded \$7.4 million for Phase I roads, an aerial ladder fire truck, and for drainage improvements. A subproject within this bond package was cited for an additional \$500,000 of Small Town Economic Assistance Program (STEAP) funding to repave Elm Street and its sidewalks.

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In September 2019 Town residents approved a \$17.4 million referendum to renovate the Mary P. Hinsdale School with a portion of that cost being funded by the State of Connecticut. In FY 2023 total reconstruction costs for this project total \$15.9 million, with \$11.8 million of those costs reimbursed by the State of CT. In April 2023, the Town bonded \$4.1 million for the net project cost. Students were welcomed back into the newly renovated school for the 2022-2023 school year.

Budgetary Controls

Under the direction of the Director of Finance, the Town continues to review and revise its budgetary controls, and has implemented other changes, policies, and procedures recommended by the independent auditor and other State and Federal regulatory agencies. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the electors at referendum. Budget administration is performed by the Town Manager and the Director of Finance. The budget is legally enacted at the department expenditure level, which serves as a management tool; budgetary control is maintained at the department level. This is achieved through the use of a full encumbrance system, which encumbers appropriations upon the issuance of purchase orders. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of the fund balance on June 30. Transfers within a department may be made during the fiscal year upon approval by the Board of Selectmen. Transfers between departments can only be made during the last three months of the fiscal year, once again, with approval by the Board of Selectmen. Management cannot amend the budget.

Fiduciary Fund Operation

Fiduciary Funds are used to account for funds that the Town holds in a trustee capacity or as an agent for individuals or organizations. The Town of Winchester Town Employees' Pension Trust Fund is used to account for contributions, pension benefits and other costs that are associated with the operations of the pension plan.

Acknowledgements

The preparation of this report would not have been possible without the hard work of the Department of Finance, including Treasurer Cynthia Rines, Budget and Grants Manager Thomas Heuschkel, other Town staff and Nancy O'Dea-Wyrick, Director of Finance and Business Services for the Winchester Board of Education. I would also like to thank the Board of Selectmen for its continued support in planning and conducting the financial operations of the Town in a responsible and professional manner.

Respectfully submitted,



Ann Marie Rheault
Director of Finance

Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Winchester, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winchester, Connecticut, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Winchester, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Winchester, Connecticut, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Winchester, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Winchester, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winchester, Connecticut's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, and other supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

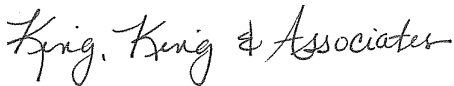
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the Town of Winchester, Connecticut's internal control over financial reporting and on our test 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 Winchester, 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 Winchester, Connecticut's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
June 26, 2024

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

As management of the Town of Winchester, we offer readers of the Town of Winchester's financial statements this narrative overview and analysis of the financial activities of the Town of Winchester for the fiscal year ended June 30, 2023.

Financial Highlights

- The assets of the Town of Winchester exceeded its liabilities at the close of the most recent fiscal year by \$95,226,786 (*net position*). Governmental activities reflect an unrestricted net position in the amount of (\$397,887) available to be used to meet ongoing obligations to citizens and creditors. Business-type activities have an unrestricted net position of \$3,532,698.
- The government's total net position including business-type activities increased by \$7,772,031.
- As of the close of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of \$22,376,611, an increase of \$7,173,928 in comparison with the prior year.
- At the end of the current fiscal year, unassigned and total fund balances for the General Fund were \$8,912,178 and \$10,380,947, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Winchester's basic financial statements. The Town of Winchester's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Winchester's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Winchester's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Winchester is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in future cash inflows (revenues) and outflows (expenditures).

Both of the government-wide financial statements distinguish functions of the Town of Winchester that are principally supported by grants and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Winchester include education, public safety, general government and public works.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

The government-wide financial statements can be found on pages 20-21 of this report.

Fund Financial Statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Winchester, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Winchester can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Winchester maintains a number individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Sewer Assessment Fund, Federal and State Education Grants Fund, ARPA Fund, Water & Sewer Capital Improvements Fund, and Hinsdale Renovation Project. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Winchester adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary Funds: The Town maintains two proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Winchester's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-68 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Winchester, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,226,786 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 29,218,971	\$ 23,508,417	\$ 3,834,814	\$ 3,940,632	\$ 33,053,785	\$ 27,449,049
Capital Assets	68,876,357	60,175,358	26,810,681	25,675,056	95,687,038	85,850,414
Total Assets	<u>98,095,328</u>	<u>83,683,775</u>	<u>30,645,495</u>	<u>29,615,688</u>	<u>128,740,823</u>	<u>113,299,463</u>
Deferred Outflows of Resources	<u>3,464,927</u>	<u>3,297,085</u>	<u>-</u>	<u>-</u>	<u>3,464,927</u>	<u>3,297,085</u>
Long-term Liabilities	26,116,723	17,227,391	1,395,190	341,658	27,511,913	17,569,049
Other Liabilities	6,027,238	7,336,401	132,867	168,312	6,160,105	7,504,713
Total Liabilities	<u>32,143,961</u>	<u>24,563,792</u>	<u>1,528,057</u>	<u>509,970</u>	<u>33,672,018</u>	<u>25,073,762</u>
Deferred Inflows of Resources	<u>3,306,946</u>	<u>4,068,031</u>	<u>-</u>	<u>-</u>	<u>3,306,946</u>	<u>4,068,031</u>
Net Position:						
Net Investment						
in Capital Assets	63,942,346	54,339,358	25,584,740	25,506,087	89,527,086	79,845,445
Restricted	2,564,889	2,599,666	-	-	2,564,889	2,599,666
Unrestricted	(397,887)	1,410,013	3,532,698	3,599,631	3,134,811	5,009,644
Total Net Position	<u>\$ 66,109,348</u>	<u>\$ 58,349,037</u>	<u>\$ 29,117,438</u>	<u>\$ 29,105,718</u>	<u>\$ 95,226,786</u>	<u>\$ 87,454,755</u>

\$89,527,086 of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in 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.

\$1,313,211 of the restricted portion of the Town of Winchester's net position represents net position restricted for Community Development, \$255,271 is restricted for Anti Blight, \$323,330 is restricted for Grants & Donations, \$366,265 is restricted for other purposes and the remaining restricted portion, \$306,812, represents net position restricted for purposes of trust. Unrestricted net position in the amount of (\$397,887) may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Winchester's Governmental Activities are able to report positive balances in all categories of net position, for the government as a whole.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2023

	Governmental Activities		Business-Type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 26,397,711	\$ 25,468,796	\$ -	\$ -	\$ 26,397,711	\$ 25,468,796
Unrestricted Grants & Contributions	1,010,515	697,502	13,806	-	1,024,321	697,502
Unrestricted Investment Income	381,110	37,193	10,749	2,531	391,859	39,724
Other General Revenues, Net	137,959	109,370	-	-	137,959	109,370
<i>Program Revenues:</i>	-	-				
Charges for Services	1,398,932	1,324,120	4,104,512	3,680,174	5,503,444	5,004,294
Operating Grants and Contributions	15,562,568	13,831,558	-	-	15,562,568	13,831,558
Capital Grants and Contributions	5,031,562	8,604,203	-	-	5,031,562	8,604,203
Total Revenues	<u>49,920,357</u>	<u>50,072,742</u>	<u>4,129,067</u>	<u>3,682,705</u>	<u>54,049,424</u>	<u>53,755,447</u>
EXPENSES						
<i>Governmental Activities:</i>						
General Government	4,747,473	4,640,204	-	-	4,747,473	4,640,204
Public Safety	5,314,279	4,966,600	-	-	5,314,279	4,966,600
Public Works	4,104,417	3,739,445	-	-	4,104,417	3,739,445
Health	805,182	813,080	-	-	805,182	813,080
Library	240,990	233,971	-	-	240,990	233,971
Parks and Recreation	577,985	448,910	-	-	577,985	448,910
Waste Disposal and Recycling	215,188	209,038	-	-	215,188	209,038
Interest on Long-Term Debt	221,393	42,049	-	-	221,393	42,049
Education	25,931,141	26,101,545	-	-	25,931,141	26,101,545
<i>Business-Type Activities:</i>	-	-				
Waterworks	-	-	1,724,085	1,970,973	1,724,085	1,970,973
Sewer	-	-	2,395,260	2,172,544	2,395,260	2,172,544
Total Expenses	<u>42,158,048</u>	<u>41,194,842</u>	<u>4,119,345</u>	<u>4,143,517</u>	<u>46,277,393</u>	<u>45,338,359</u>
Change in Net Position Before Transfers, and Contributions to Permanent Funds	<u>7,762,309</u>	<u>8,877,900</u>	<u>9,722</u>	<u>(460,812)</u>	<u>7,772,031</u>	<u>8,417,088</u>
Transfers	<u>(1,998)</u>	<u>(1,023,079)</u>	<u>1,998</u>	<u>1,023,079</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>7,760,311</u>	<u>7,854,821</u>	<u>11,720</u>	<u>562,267</u>	<u>7,772,031</u>	<u>8,417,088</u>
Beginning Net Position, restated	<u>58,349,037</u>	<u>50,494,216</u>	<u>29,105,718</u>	<u>28,543,451</u>	<u>87,454,755</u>	<u>79,037,667</u>
Ending Net Position	<u>\$ 66,109,348</u>	<u>\$ 58,349,037</u>	<u>\$ 29,117,438</u>	<u>\$ 29,105,718</u>	<u>\$ 95,226,786</u>	<u>\$ 87,454,755</u>

Governmental Activities

Governmental activities increased the Town of Winchester's net position by \$7,760,311. Fifty-three percent (53%) of the revenues of the Town were derived from property taxes, followed by forty-three percent (43%) from grants and contributions, three percent (3%) from fees for services, and one percent (1%) from other.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
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Major revenue factors include:

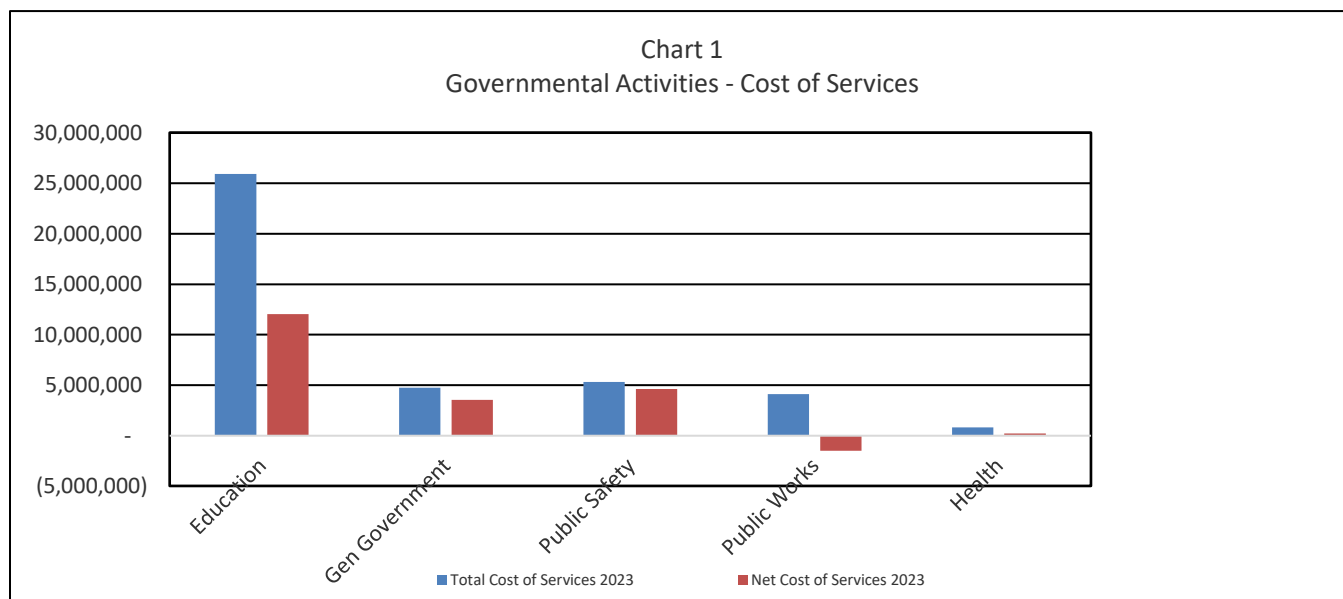
- \$929,000 increase in Property Taxes primarily due to increase in the grand list.
- \$3,573,000 decrease in Capital Grants and Contributions due to federal and state grant funding for Hinsdale School Renovation Project, Drinking Water Projects, and other capital improvement projects.
- \$1,731,000 increase in Operating Grants and Contributions primarily due to changes in the revenue recognized for the Teachers' Retirement System.

For Governmental Activities, 62% of the Town's expenses relate to education, 15% relate to public safety and health, 10% relate to public works, and the remaining 13% relates to government and community services, administration, and other areas.

Major expense factors include:

- \$365,000 increase in public works expense from general road repair, and other repair and maintenance work.
- \$179,000 increase in interest on long term debt related to the issuance of long-term bonds.
- \$348,000 increase in Public Safety expense primarily due to changes in expenditures recognized for the Municipal Employee Retirement System and depreciation of new SBITA assets.

Chart 1 presents the costs of each of the five largest programs, 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.

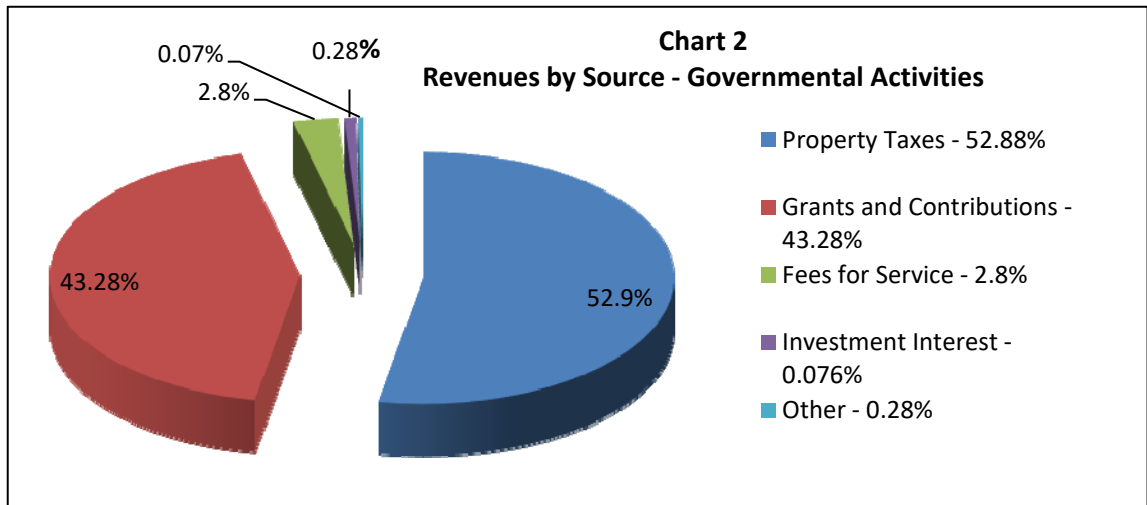


TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

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Chart 2 presents the various sources of revenue that fund Town operations. The percentages indicate what part of the whole each segment represents.

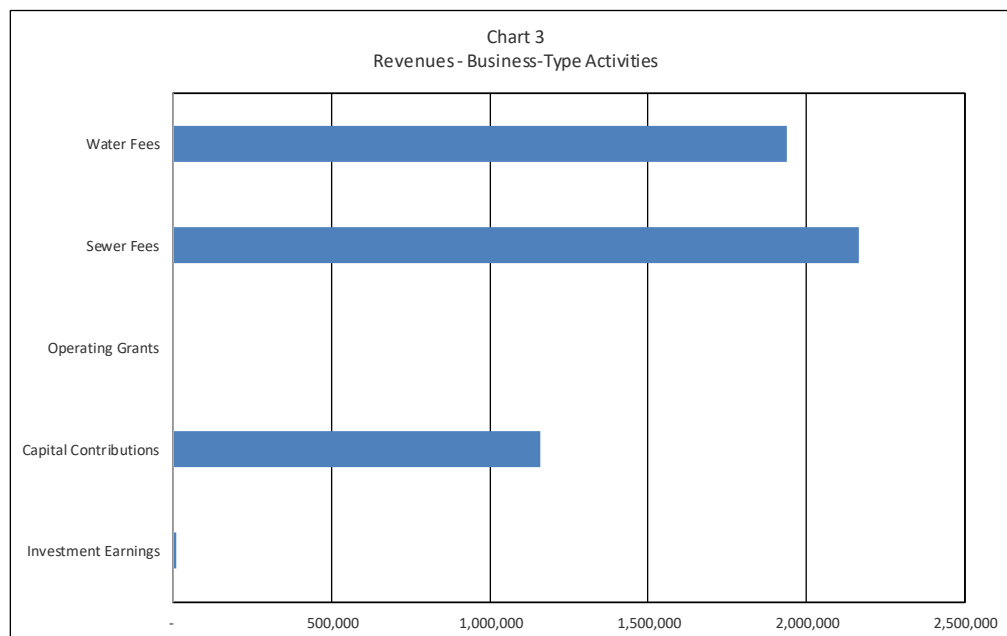


Business-Type activities

Business-type activities increased the Town of Winchester's net position by \$11,720. Ninety-nine percent (99%) of the revenues of the business-type activities were derived from charges for services and less than one percent (1%) was from investment income. Key elements of enterprise fund performance are as follows:

- Capital Contributions from the Water & Sewer Capital Improvements Fund funded by grants from the Drinking Water State Revolving Fund and Department of Transportation.

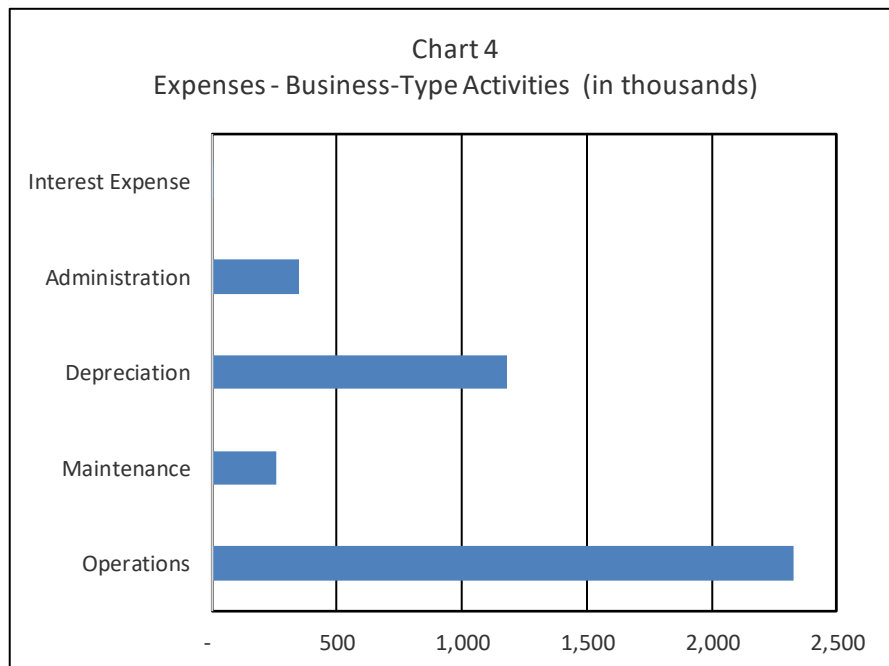
Charts 3 and 4 reflect the water/sewer utility operations for fiscal year 2023 regarding sources of revenue and classes of expenses.



TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2023



Financial Analysis of the Government's Funds

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

Governmental Funds: The focus of the Town of Winchester's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Winchester's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of \$22,376,611, an increase of \$7,173,928 in comparison with the prior year.

General Fund. The General Fund is the chief operating fund of the Town of Winchester. At June 30, 2023, the General Fund's fund balance was \$10,380,947 of which \$365,530 was committed to education (BOE nonlapsing) and \$1,093,346 was committed to capital improvements. There was also \$9,893 assigned to general government encumbrances. The remaining \$8,912,178 is classified as unassigned General Fund balance. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned and total fund balances to total fund expenditures. At June 30, 2023, unassigned and total General Fund balances represented 25.4% and 29.6% of total budget basis General Fund expenditures, respectively. See page 73 for budgetary basis data.

The fund balance of the Town of Winchester's General Fund increased by \$831,005 during the current fiscal year.

ARPA Fund. The fund balance of the ARPA Fund increased by \$11,979 during the current fiscal year due to \$11,979 of interest earned on unearned revenue.

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Water & Sewer Capital Improvements Fund. The fund balance of the W&S Capital Improvements Fund decreased by \$303,236 during the current fiscal year due to significant work on the Water Main Project. There is a deficit fund balance of (\$793,976) at the end of the current fiscal year due mainly to \$1,230,457 in debt funded construction costs incurred through June 30, 2023 not yet received from the Drinking Water State Revolving Fund.

Hinsdale Renovation Project. The fund balance of the Hinsdale Renovation decreased by \$1,278,805 during the current fiscal year due to significant work on the project. There is a deficit fund balance of (\$99,682) at the end of the current fiscal year.

Capital Improvements Fund: The fund balance of the Capital Improvements Fund increased by \$5,980,582 during the current fiscal year because of the issuance of a general obligation bond in the amount of \$7,400,000.

General Fund Budgetary Highlights

The General Fund Budgetary Highlights are as follows:

- \$493,000 of other local revenues in excess of budget.
- \$258,000 of property taxes, interest and lien fees collected in excess of budget.
- \$284,000 of intergovernmental revenue in excess of budget.
- \$475,000 of expenditure savings in the General Government function.
- \$252,000 of expenditure savings in the Public Safety function.
- Transfer of \$1,020,000 to the Capital Improvements Fund.

Capital Asset and Debt Administration

Capital Assets: The Town of Winchester's reported value in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$95,687,038 (net of accumulated depreciation). The reported value in capital assets includes land and buildings, vehicles, machinery and equipment. Major capital asset events during the current fiscal year included the following:

- Completion of the Hinsdale School Renovation project.
- Installation of central air system at Peason School.
- Continuation of Drinking Water tank replacement projects.
- Ongoing road and bridge replacement projects.

	2023	2022
<i>Governmental Activities:</i>		
Land	\$ 25,839,045	\$ 25,839,045
Construction in Progress	6,270,170	14,372,000
Buildings	17,636,257	2,027,079
Improvements	2,852,616	2,768,081
Machinery and Equipment	4,089,305	4,144,859
Right of Use SBITA	175,894	-
Right of Use Lease	50,011	-
Infrastructure	11,963,059	11,024,294
	<u>\$ 68,876,357</u>	<u>\$ 60,175,358</u>

TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2023

	2023	2022
<i>Business-type Activities:</i>		
Land	\$ 85,476	\$ 85,476
Construction in Progress	1,567,470	1,439,527
Buildings	13,637,560	14,348,376
Improvements	1,180,622	1,236,031
Machinery and Equipment	955,282	922,521
Infrastructure	9,384,271	7,643,125
	<u>\$ 26,810,681</u>	<u>\$ 25,675,056</u>

Additional information on the Town of Winchester's capital assets can be found in Note 3 on pages 43-44 of this report.

Long-Term Debt: The Town of Winchester has the following obligations:

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
<u>Bonds</u>					
4/5/2023	Road Bond	4-5%	\$ 7,400,000	\$ 7,400,000	April 2043
8/14/2008	Public Improvements	4.02	\$ 6,316,000	416,000	August 2023
4/5/2023	Hinsdale School	4-5%	4,100,000	4,100,000	April 2043
	Total governmental funds			<u>\$ 11,916,000</u>	
<u>Other</u>					
1/31/2008	Clean Water Fund Loans	2.00	\$ 642,019	133,412	January 2027
6/23/2022	Drinking Water Revolving Fund Loans	2.00	1,092,528	1,092,528	April 2043
	Total business-type activities			<u>\$ 1,225,940</u>	

The Town of Winchester's total borrowings for governmental funds decreased by \$420,000 and Business-type activities by \$35,557 during the current fiscal year, primarily due to regular principal payments. Additional information on the Town of Winchester's long-term debt can be found in Note 3 on pages 45-48 of this report. The Town of Winchester's Bond rating increased from A+ to AA from S&P Global.

Economic Factors and Next Year's Budgets and Rates

- Ongoing inflationary pressures for all goods and services.
- Recent revaluation and other economic development impacts on Grand List growth.
- Continued capital investment to address aging infrastructure and equipment.
- Uncertainty of State municipal aid grants continuing at historical funding levels.
- State level tax law revisions impacting local assessments and revenue collection.

Request for Information

This financial report is designed to provide a general overview of the Town of Winchester's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town of Winchester, 338 Main Street, Winsted, CT 06098.

Basic Financial Statements

TOWN OF WINCHESTER, CONNECTICUT

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 21,638,278	\$ 3,757,509	\$ 25,395,787
Restricted Cash	218,204	-	218,204
Receivables, Net of Allowance	6,184,924	327,249	6,512,173
Other Assets	5,271	917,650	922,921
Internal Balances	1,167,594	(1,167,594)	-
Prepays	4,700	-	4,700
Capital Assets:			
Assets Not Being Depreciated	32,109,215	1,652,946	33,762,161
Assets Being Depreciated, Net	36,767,142	25,157,735	61,924,877
Total Assets	<u>98,095,328</u>	<u>30,645,495</u>	<u>128,740,823</u>
Deferred Outflows of Resources			
Deferred Outflows - Pension and OPEB	<u>3,464,927</u>	-	<u>3,464,927</u>
Total Deferred Outflows of Resources	<u>3,464,927</u>	-	<u>3,464,927</u>
Liabilities			
Accounts Payable and Accrued Items	3,021,619	132,867	3,154,486
Performance Bonds	218,204	-	218,204
Due to Other Governments	153,130	-	153,130
Unearned Revenue	2,634,285	-	2,634,285
Noncurrent Liabilities:			
Due Within One Year	1,493,597	160,289	1,653,886
Due In More Than One Year	<u>24,623,126</u>	<u>1,234,901</u>	<u>25,858,027</u>
Total Liabilities	<u>32,143,961</u>	<u>1,528,057</u>	<u>33,672,018</u>
Deferred Inflows of Resources			
Deferred Inflows - Pension and OPEB	<u>3,306,946</u>	-	<u>3,306,946</u>
Total Deferred Inflows of Resources	<u>3,306,946</u>	-	<u>3,306,946</u>
Net Position			
Net Investment in Capital Assets	63,942,346	25,584,740	89,527,086
Restricted for Community Development	1,313,211	-	1,313,211
Restricted for Anti Blight	255,271	-	255,271
Restricted for Grants & Donations	323,330	-	323,330
Restricted for Other Purposes	366,265	-	366,265
Restricted for Purposes of Trust:			
Nonexpendable	187,376	-	187,376
Expendable	119,436	-	119,436
Unrestricted	<u>(397,887)</u>	<u>3,532,698</u>	<u>3,134,811</u>
Total Net Position	<u>\$ 66,109,348</u>	<u>\$ 29,117,438</u>	<u>\$ 95,226,786</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Activities

For the Year Ended June 30, 2023

Functions/Program Activities					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Program Revenues			Primary Government		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$ 4,747,473	\$ 512,699	\$ 679,865	\$ -	\$ (3,554,909)	\$ -	\$ (3,554,909)
Library	240,990	-	-	-	(240,990)	-	(240,990)
Waste Disposal and Recycling	215,188	-	-	-	(215,188)	-	(215,188)
Public Safety	5,314,279	453,973	229,258	-	(4,631,048)	-	(4,631,048)
Public Works	4,104,417	270,000	295,490	5,031,562	1,492,635	-	1,492,635
Health	805,182	64,742	540,712	-	(199,728)	-	(199,728)
Parks and Recreation	577,985	20,000	-	-	(557,985)	-	(557,985)
Education	25,931,141	77,518	13,817,243	-	(12,036,380)	-	(12,036,380)
Interest on Long-Term Debt	221,393	-	-	-	(221,393)	-	(221,393)
Total Governmental Activities	<u>42,158,048</u>	<u>1,398,932</u>	<u>15,562,568</u>	<u>5,031,562</u>	<u>(20,164,986)</u>	<u>-</u>	<u>(20,164,986)</u>
Business-Type Activities:							
Waterworks	1,724,085	1,936,883	-	-	-	212,798	212,798
Sewer	2,395,260	2,167,629	-	-	-	(227,631)	(227,631)
Total Business-Type Activities	<u>4,119,345</u>	<u>4,104,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,833)</u>	<u>(14,833)</u>
Total Primary Government	<u>\$ 46,277,393</u>	<u>\$ 5,503,444</u>	<u>\$ 15,562,568</u>	<u>\$ 5,031,562</u>	<u>(20,164,986)</u>	<u>(14,833)</u>	<u>(20,179,819)</u>
General Revenues:							
Property Taxes					26,397,711	-	26,397,711
Grants and Contributions not Restricted to Specific Programs					1,010,515	13,806	1,024,321
Unrestricted Investment Earnings					381,110	10,749	391,859
Miscellaneous					137,959	-	137,959
Transfers					(1,998)	1,998	-
Total General Revenues and Transfers					<u>27,925,297</u>	<u>26,553</u>	<u>27,951,850</u>
Change in Net Position					7,760,311	11,720	7,772,031
Net Position at Beginning of Year					<u>58,349,037</u>	<u>29,105,718</u>	<u>87,454,755</u>
Net Position at End of Year					<u>\$ 66,109,348</u>	<u>\$ 29,117,438</u>	<u>\$ 95,226,786</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2023

	General	ARPA Fund	Water & Sewer Capital Improv. Fund	Hinsdale Renovation Project	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 18,127,949	\$ 1,315,558	\$ -	\$ -	\$ 715,647	\$ 1,479,124	\$ 21,638,278
Restricted Cash	218,204	-	-	-	-	-	218,204
Receivables, Net of Allowance	1,233,007	-	61,404	1,761,681	1,456,367	1,672,465	6,184,924
Prepays	4,700	-	-	-	-	-	4,700
Due from Other Funds	4,090,602	1,201,955	1,332,228	-	6,957,508	2,010,693	15,592,986
Other Assets	-	-	-	-	-	5,271	5,271
Total Assets	\$ 23,674,462	\$ 2,517,513	\$ 1,393,632	\$ 1,761,681	\$ 9,129,522	\$ 5,167,553	\$ 43,644,363
Liabilities							
Accounts Payable and Accrued Items	\$ 2,155,411	\$ 5,465	\$ 126,666	\$ 114,869	\$ 383,488	\$ 235,720	\$ 3,021,619
Performance Bonds	218,204	-	-	-	-	-	218,204
Due to Other Funds	10,138,817	316,556	2,060,942	1,746,494	-	162,583	14,425,392
Due to Other Governments	-	-	-	-	-	153,130	153,130
Unearned Revenue	-	2,180,095	-	-	-	454,190	2,634,285
Total Liabilities	12,512,432	2,502,116	2,187,608	1,861,363	383,488	1,005,623	20,452,630
Deferred Inflows of Resources							
Unavailable Revenue:							
Property Taxes and Interest	781,083	-	-	-	-	-	781,083
Sewer Assessment Charges	-	-	-	-	-	34,039	34,039
Total Deferred Inflows of Resources	781,083	-	-	-	-	34,039	815,122
Fund Balances							
Nonspendable	-	-	-	-	-	187,376	187,376
Restricted	-	15,397	-	-	-	2,362,116	2,377,513
Committed	1,458,876	-	-	-	8,746,034	1,586,704	11,791,614
Assigned	9,893	-	-	-	-	-	9,893
Unassigned	8,912,178	-	(793,976)	(99,682)	-	(8,305)	8,010,215
Total Fund Balances	10,380,947	15,397	(793,976)	(99,682)	8,746,034	4,127,891	22,376,611
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,674,462	\$ 2,517,513	\$ 1,393,632	\$ 1,761,681	\$ 9,129,522	\$ 5,167,553	\$ 43,644,363

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2023

Fund balances reported in governmental funds Balance Sheet \$ 22,376,611

**Amounts reported for governmental activities in the government- wide
Statement of Net Position are different because:**

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

<i>Capital Assets</i>	106,431,122
<i>Depreciation</i>	(37,554,765)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

<i>Property taxes and interest receivable greater than 60 days</i>	781,083
<i>Sewer assessments and interest receivable greater than 60 days</i>	34,039

<i>Certain changes related to pensions are deferred and amortized over time.</i>	157,981
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Bonds payable</i>	(11,916,000)
<i>Bond premiums</i>	(785,973)
<i>Lease Payables</i>	(50,464)
<i>SBITA Lease Payables</i>	(163,122)
<i>Capital Financing Notes</i>	(204,425)
<i>Net Pension Liability</i>	(4,578,272)
<i>Net Pension Liability - MERS</i>	(4,222,121)
<i>OPEB liability</i>	(2,908,062)
<i>Claims and judgments</i>	(594,608)
<i>Compensated Absences</i>	(693,676)

Net position of governmental activities \$ 66,109,348

TOWN OF WINCHESTER, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	ARPA Fund	Water & Sewer Capital Improv. Fund	Hinsdale Renovation Project	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Revenues							
Property Taxes, Interest and Lien Fees	\$ 26,423,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,423,983
Intergovernmental Revenues	10,336,260	679,865	525,633	1,928,832	2,577,097	5,192,407	21,240,094
Interest and Dividends	353,331	11,979	-	22	6,449	9,329	381,110
Charges for Services	650,837	-	-	-	-	484,524	1,135,361
Licenses, Fees and Permits	263,571	-	-	-	-	-	263,571
Other Revenue	93,097	-	-	-	-	57,194	150,291
Total Revenues	<u>38,121,079</u>	<u>691,844</u>	<u>525,633</u>	<u>1,928,854</u>	<u>2,583,546</u>	<u>5,743,454</u>	<u>49,594,410</u>
Expenditures							
Current:							
General Government	3,527,537	254,572	-	-	156,902	124,893	4,063,904
Library	240,990	-	-	-	-	-	240,990
Miscellaneous	837,585	-	-	-	-	-	837,585
Waste Disposal and Recycling	215,188	-	-	-	-	-	215,188
Public Safety	4,307,797	86,947	-	-	856,118	325,825	5,576,687
Public Works	2,280,321	18,346	-	-	5,179,947	-	7,478,614
Health	149,512	-	-	-	-	553,741	703,253
Parks and Recreation	336,754	-	-	-	-	190,418	527,172
Education	22,020,773	-	-	-	-	4,563,971	26,584,744
Program and Project Expenditures	494,794	-	-	-	-	-	494,794
Debt Service:							
Principal Retirement	420,000	-	-	5,000,000	43,343	-	5,463,343
Interest	25,165	-	-	108,679	-	-	133,844
Other	81,581	-	-	-	-	-	81,581
Capital Outlay	568,443	-	2,337,397	2,198,980	-	16,406	5,121,226
Total Expenditures	<u>35,506,440</u>	<u>359,865</u>	<u>2,337,397</u>	<u>7,307,659</u>	<u>6,236,310</u>	<u>5,775,254</u>	<u>57,522,925</u>
Excess/(Deficiency) of Revenues over Expenditures	2,614,639	331,979	(1,811,764)	(5,378,805)	(3,652,764)	(31,800)	(7,928,515)
Other Financing Sources/(Uses)							
Issuance of Loans	-	-	1,092,528	-	-	-	1,092,528
Issuance of Bonds	-	-	-	4,100,000	7,400,000	-	11,500,000
Leases Issued	92,105	-	-	-	-	-	92,105
Subscription Based IT Arrangements Issued	228,570	-	-	-	-	-	228,570
Issuance of Equipment Financing Notes	247,768	-	-	-	-	-	247,768
Premium on Financing	-	-	-	-	-	785,973	785,973
Transfers In	29,688	-	416,000	-	2,233,346	1,178,230	3,857,264
Transfers Out	(2,381,765)	(320,000)	-	-	-	-	(2,701,765)
Total Other Financing Sources/(Uses)	<u>(1,783,634)</u>	<u>(320,000)</u>	<u>1,508,528</u>	<u>4,100,000</u>	<u>9,633,346</u>	<u>1,964,203</u>	<u>15,102,443</u>
Net Change in Fund Balances	831,005	11,979	(303,236)	(1,278,805)	5,980,582	1,932,403	7,173,928
Fund Balances at Beginning of Year	<u>9,549,942</u>	<u>3,418</u>	<u>(490,740)</u>	<u>1,179,123</u>	<u>2,765,452</u>	<u>2,195,488</u>	<u>15,202,683</u>
Fund Balances at End of Year	<u>\$ 10,380,947</u>	<u>\$ 15,397</u>	<u>\$ (793,976)</u>	<u>\$ (99,682)</u>	<u>\$ 8,746,034</u>	<u>\$ 4,127,891</u>	<u>\$ 22,376,611</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds \$ 7,173,928

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities, the cost of those assets is allocated over
their estimated useful lives as depreciation expense.

<i>Capital outlay</i>	10,375,561
<i>Depreciation expense</i>	(1,625,981)
<i>Loss on sale of asset</i>	(48,581)

Revenues in the Statement of Activities that do not provide current
financial resources are not reported as revenue in the funds

<i>Property taxes and interest collected accrual basis change</i>	(26,272)
<i>Sewer assessment and interest revenue accrual basis change</i>	(12,332)

Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Principal payments on long-term debt - general obligation bonds</i>	420,000
<i>Principal payments on long-term debt - general obligation notes</i>	5,000,000
<i>Principal payments on long-term debt - lease payables</i>	41,641
<i>Principal payments on long-term debt - SBITA payables</i>	65,448
<i>Principal payments on long-term debt - capital financing notes</i>	43,343
<i>Proceeds from long-term debt - lease payables</i>	(92,105)
<i>Proceeds from long-term debt - SBITA payables</i>	(228,570)
<i>Proceeds from long-term debt - capital financing notes</i>	(247,768)
<i>Proceeds from long-term debt - general obligation bonds</i>	(11,500,000)
<i>Proceeds from bond premium</i>	(785,973)

Certain benefits are expended in the funds when resources are used, but
are expensed in the Statement of Activities when the liability is incurred.

<i>Net pension obligations and related outflows/inflows</i>	(334,676)
<i>Net pension liability - MERS and related outflows/inflows</i>	(359,280)
<i>OPEB liability and related outflows/inflows</i>	(312,352)
<i>Claims and judgments</i>	65,349
<i>Compensated Absences</i>	148,931

Change in net position of governmental activities \$ 7,760,311

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Fund Net Position

Proprietary Funds

June 30, 2023

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 2,771,604	\$ 985,905	\$ 3,757,509
Rents and Assessments Receivable, Net	104,832	158,394	263,226
Intergovernmental Receivable	13,806	-	13,806
Interest Receivable	25,586	24,631	50,217
Accrued Utility Revenue	460,801	456,849	917,650
Total Current Assets	<u>3,376,629</u>	<u>1,625,779</u>	<u>5,002,408</u>
Noncurrent Assets:			
Due from Other Funds	237,366	156,140	393,506
Nondepreciable Capital Assets	1,616,226	36,720	1,652,946
Capital Assets, Net of Accumulated Deprecation	<u>13,344,958</u>	<u>11,812,777</u>	<u>25,157,735</u>
Total Noncurrent Assets	<u>15,198,550</u>	<u>12,005,637</u>	<u>27,204,187</u>
Total Assets	<u>\$ 18,575,179</u>	<u>\$ 13,631,416</u>	<u>\$ 32,206,595</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Items	\$ 50,498	\$ 82,369	\$ 132,867
Due to Other Funds	976,930	584,170	1,561,100
Current Portion of Long-Term Debt	<u>78,448</u>	<u>81,841</u>	<u>160,289</u>
Total Current Liabilities	<u>1,105,876</u>	<u>748,380</u>	<u>1,854,256</u>
Noncurrent Liabilities:			
Compensated Absences	45,911	30,074	75,985
Loans Payable	<u>1,061,779</u>	<u>97,137</u>	<u>1,158,916</u>
Total Noncurrent Liabilities	<u>1,107,690</u>	<u>127,211</u>	<u>1,234,901</u>
Total Liabilities	<u>2,213,566</u>	<u>875,591</u>	<u>3,089,157</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net Investment in Capital Assets	13,868,655	11,716,085	25,584,740
Unrestricted	<u>2,492,958</u>	<u>1,039,740</u>	<u>3,532,698</u>
Total Net Position	<u>\$ 16,361,613</u>	<u>\$ 12,755,825</u>	<u>\$ 29,117,438</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 1,882,284	\$ 2,120,969	\$ 4,003,253
Fines, Penalties and Interest	<u>54,599</u>	<u>46,660</u>	<u>101,259</u>
Total Operating Revenues	<u>1,936,883</u>	<u>2,167,629</u>	<u>4,104,512</u>
OPERATING EXPENSES			
Operations	1,030,625	1,297,477	2,328,102
Maintenance	22,428	238,506	260,934
Depreciation Expense	496,558	682,960	1,179,518
Administration	<u>174,474</u>	<u>173,262</u>	<u>347,736</u>
Total Operating Expenses	<u>1,724,085</u>	<u>2,392,205</u>	<u>4,116,290</u>
Operating Income/(Loss)	212,798	(224,576)	(11,778)
NONOPERATING REVENUE (EXPENSES)			
Intergovernmental Revenues	13,806	-	13,806
Interest Income	8,185	2,564	10,749
Interest Expense	<u>-</u>	<u>(3,055)</u>	<u>(3,055)</u>
Total Nonoperating Revenues/(Expenses)	<u>21,991</u>	<u>(491)</u>	<u>21,500</u>
Income/(Loss) before Transfers, and			
Capital Contributions	<u>234,789</u>	<u>(225,067)</u>	<u>9,722</u>
Transfers:			
Transfers In	-	-	-
Transfers Out	<u>(355,000)</u>	<u>(800,499)</u>	<u>(1,155,499)</u>
Total Transfers	<u>(355,000)</u>	<u>(800,499)</u>	<u>(1,155,499)</u>
Capital Contributions	<u>1,051,799</u>	<u>105,698</u>	<u>1,157,497</u>
Change in Net Position	931,588	(919,868)	11,720
Net Position - Beginning of Year, Restated	<u>15,430,025</u>	<u>13,675,693</u>	<u>29,105,718</u>
Net Position - End of Year	<u>\$ 16,361,613</u>	<u>\$ 12,755,825</u>	<u>\$ 29,117,438</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2023

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 1,929,207	\$ 2,109,126	\$ 4,038,333
Receipts from Interfund Services	15,489	15,489	30,978
Payments to Employees	(179,094)	(172,082)	(351,176)
Payments to Suppliers	<u>(1,076,995)</u>	<u>(1,547,486)</u>	<u>(2,624,481)</u>
Net Cash Provided by Operating Activities	<u>688,607</u>	<u>405,047</u>	<u>1,093,654</u>
Cash Flows from Noncapital Financing Activities:			
Advance/(Repayment) from General Fund	22,426	(122,269)	(99,843)
Highland Lake Assessments	<u>-</u>	<u>24,753</u>	<u>24,753</u>
Net Cash Used by Noncapital Financing Activities	<u>22,426</u>	<u>(97,516)</u>	<u>(75,090)</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Loans Payable	-	(35,557)	(35,557)
Principal Payments on General Fund Bonds Payable	-	(28,000)	(28,000)
Proceeds from Loans Issued	1,092,529	-	1,092,529
Purchase of Capital Assets	(1,157,646)	-	(1,157,646)
Interest Paid on Loans Payable and Bonds Payable	<u>-</u>	<u>(4,743)</u>	<u>(4,743)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(65,117)</u>	<u>(68,300)</u>	<u>(133,417)</u>
Cash Flows from Investing Activities:			
Interest Income	<u>8,185</u>	<u>2,564</u>	<u>10,749</u>
Net Cash Provided by Investing Activities	<u>8,185</u>	<u>2,564</u>	<u>10,749</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	654,101	241,795	895,896
Cash and Cash Equivalents at Beginning of Year	<u>2,117,503</u>	<u>744,110</u>	<u>2,861,613</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,771,604</u>	<u>\$ 985,905</u>	<u>\$ 3,757,509</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ 212,798	\$ (224,576)	\$ (11,778)
Adjustments to Reconcile Income to Net Cash			
Provided by Operating Activities:			
Depreciation	496,558	682,960	1,179,518
Change in Assets and Liabilities:			
(Increase) Decrease in Rents Receivable	7,903	(15,996)	(8,093)
(Increase) Decrease in Interest Receivable	(5,379)	(5,645)	(11,024)
(Increase) Decrease in Accrued Utility Revenue	5,289	(21,373)	(16,084)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(23,942)	(11,503)	(35,445)
Increase (Decrease) in Accrued Vacation and Sick Leave Benefits	<u>(4,620)</u>	<u>1,180</u>	<u>(3,440)</u>
Total Adjustments	<u>475,809</u>	<u>629,623</u>	<u>1,105,432</u>
Net Cash Provided by Operating Activities	<u>\$ 688,607</u>	<u>\$ 405,047</u>	<u>\$ 1,093,654</u>
Noncash Capital and Related Financing Activity:			
Capital Contributions from Other Funds	\$ 1,051,799	\$ 105,698	\$ 1,157,497

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Fiduciary Net Position

June 30, 2023

	Pension Trust Fund
Assets	
Cash and Cash Equivalents	\$ 2,194
Investments, at Fair Value:	
Short-Term Investments	-
Mutual Funds	9,028,971
Total Investments, at Fair Value	<u>9,028,971</u>
Accrued Income	<u>34,196</u>
Total Assets	<u><u>9,065,361</u></u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	<u>-</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Restricted for Pension Benefits	<u>9,065,361</u>
Total Net Position	<u><u>\$ 9,065,361</u></u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2023

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 450,272
Plan Members	58,792
Total Contributions	<u>509,064</u>
Net Investment Income:	
Net Appreciation/(Depreciation) in Fair Value of Investments	129,706
Interest and Dividends	517,560
Investment Expenses	<u>(6,295)</u>
Total Net Investment Income	<u>640,971</u>
Total Additions	<u>1,150,035</u>
Deductions	
Benefits	<u>1,058,762</u>
Total Deductions	<u>1,058,762</u>
Change in Net Position	91,273
Net Position at Beginning of Year	<u>8,974,088</u>
Net Position at End of Year	<u>\$ 9,065,361</u>

The notes to the financial statements are an integral part of this statement

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Winchester, Connecticut, was incorporated in 1771. The Town operates under a Selectmen-Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, health, welfare, parks, recreation, and elementary and secondary education. The financial statements include all of the funds of the Town that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

The Winchester Housing Authority (the Authority) has been determined to be a related organization of the Town of Winchester, Connecticut, as the governing body of the Authority is appointed by the Town. The Authority is not included in this report, as the Town is not obligated to finance any deficit that the authority may incur, nor does the Town significantly subsidize the Authority; the Town obtains no financial benefit, nor can it impose its will upon the Authority.

Basis of Presentation

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

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 statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, with the exception of the agency funds which have no measurement focus. 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.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. 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 fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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.

The Town reports the following major governmental funds:

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

The *ARPA Fund* is to account for revenue and expenditures related to the American Rescue Plan Act grant.

The *Water & Sewer Capital Improvement Fund* is to account for capital projects related to the Waterworks & Sewer Funds.

The *Capital Improvements Fund* is used to account for financial resources that have been segregated for various acquisitions and capital projects.

The *Hinsdale Renovation Project* is used to account for the renovation of the Hinsdale School.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

The Town reports the following major proprietary funds:

The *Waterworks Fund* is used to account for the financial operations of the Winsted Waterworks. All necessary activities to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. The Water and Sewer Commission, as empowered by the Town Charter, oversees the operation of the Winsted Waterworks.

The *Sewer Fund* is used to account for the financial operations of the Town's sewer utility. All activities necessary to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. Authority over the operations of the Sewer Fund is with the Water and Sewer Commission.

Additionally, the Town reports the following fund types:

The *Pension Trust Fund* is used to account for the activities of the Town's defined benefit plan which accumulates resources for pension benefit payments to qualified employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash Equivalents - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less. This definition also applies to the proprietary statement of cash flows.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). The pool is overseen by the Office of the State Treasurer. The pool is rated AAAm by S & P Global Ratings. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

Fair Value of Financial Instruments

In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Investments are carried at fair value and are presented in Note 3.

Inventories - 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.

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.

Capital Assets - Capital assets, which include property, plant and equipment and infrastructure, are reported in the applicable governmental or business-type 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 \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings, Structures and Improvements	50
Equipment	7-15
Distribution reservoirs and standpipes	50
Infrastructure	7-100

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial 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 that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports the deferred charge on refunding in this category. 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. The Town also reports increases of Deferred Pension Expense in this category. Deferred pension expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense 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 and inactive employees).

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

In addition to liabilities, the statement of financial 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The Town reports decreases of Deferred Pension Expense in this category. Deferred pension expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense 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 and inactive employees). For governmental funds, the Town reports unearned and unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unearned revenue from prepaid property taxes and unavailable revenues from several sources: property taxes and sewer assessments. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

Long-Term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 issuance are reported as other financing sources, and discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

Compensated Absences - A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Sick leave may be accumulated by employees in accordance with union contracts until retirement, termination or death, at which time they are paid for a percentage of their accumulated sick leave.

All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Leases and Subscription-Based Information Technology Arrangements (as Lessee) – The Town recognizes a lease/subscription liability and an intangible right-of-use asset (lease/subscription asset) for a noncancellable lease/subscription in the government-wide and proprietary fund financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the lease/subscription term. Subsequently, the lease/subscription liability is reduced by the principal portion of lease/subscription payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for lease/subscription payments made at or before the lease/subscription commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Key estimates and judgments related to leases/subscriptions include how the Town determines (1) the discount rate it uses to discount the expected lease/subscription payments to present value, (2) lease/subscription term, and (3) lease/subscription payments. The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate. When the interest rate charged by the lessor/subscription vendor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases/subscriptions. The lease/subscription term includes the non-cancellable period of the lease/subscription. Lease/subscription payments included in the measurement of the lease/subscription liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease/subscription and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability. Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt and other long-term obligations in the statement of net position.

Fund Equity and Net Position – 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 category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

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

Nonspendable Fund Balance - Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.

Restricted Fund Balance - Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Selectman and Town Meeting in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Winchester Board of Selectmen or department head as specified in the Town Charter.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Unassigned Fund Balance - Represents the remaining fund balance after amounts are set aside for all other classifications. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies establishing stabilization funds.

The Town's Policy on Fund Balance is to maintain an unassigned General Fund Balance of at least ten percent of current General Fund expenditures. At June 30, 2023, the unassigned General Fund Balance represented 25.4% of the 2023 General Fund budget basis expenditures. See page 73 for budget basis data.

Property Taxes

The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A physical revaluation of all real property is required to be completed every ten years, and a statistical revaluation is required to be completed every five years. The Town had a revaluation of its property as of October 1, 2022. The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. A mill rate was applied to the Grand List. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are placed on delinquent accounts in June following the levy date.

Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The Town defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

Encumbrances - In the governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are authorized annually by the Board of Selectmen.

Program budgets are established for funds not budgeted normally. The procedures establishing the budgetary data reflected in the financial statements are as follows:

- Prior to March 16, the Town Manager submits to the Board of Selectmen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at locations throughout the Town to obtain taxpayer comments.
- The budget is reviewed at the annual Town budget meeting and sent to referendum for enactment by vote of the general public.
- Upon request of the Town Manager, but only within the last three months of the fiscal year, only the Board of Selectmen may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another. Management cannot amend the budget.
- The control level on which expenditures may not legally exceed appropriations is the departmental level. The Board of Selectman must approve transfers within a department. Unencumbered appropriations lapse at the close of the fiscal year, except for those appropriations which are made for capital improvements.

The budgets are prepared on a modified-accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

Budgeted amounts are as originally adopted, or as amended by the Board of Selectmen.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 3 – DETAILED NOTES ON ALL FUNDS

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 Statute 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 following is a summary of cash and cash equivalents at June 30, 2023:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	\$ 19,325,739	\$ 3,757,509	\$ 2,194	\$ 23,085,442
Cash Equivalents	2,312,539	-	-	2,312,539
Restricted Cash	218,204	-	-	218,204
Total	<u>\$ 21,856,482</u>	<u>\$ 3,757,509</u>	<u>\$ 2,194</u>	<u>\$ 25,616,185</u>

Custodial Credit Risk - Deposits: 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’s custodial credit risk policy is to only use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk-based capital ratio. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash, Cash Equivalents, and Restricted Cash	\$ 25,616,185
Less: Cash Equivalents (STIF)	<u>(2,312,539)</u>
	<u>\$ 23,303,646</u>

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$23,303,646 and the bank balance was \$23,811,551. Of the bank balance, Federal Depository Insurance Corporation insured \$7,087,881.

As of June 30, 2023, \$16,723,669 of the Town’s bank balance of \$23,811,551 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 14,978,316
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	<u>1,745,354</u>
Total	<u>\$ 16,723,670</u>

Cash Equivalents

At June 30, 2023, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$2,312,539. STIF is rated AAAM by S & P Global Ratings and has an average maturity of under 60 days.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Investments

As of June 30, 2023, the Town had the following investments:

Investment Type	Credit Rating	Amount	Investment Maturities (Years)			
			Not Applicable	Less Than 1	1-10	More Than 10
Money Market Funds	N/A	10,027	10,027	-	-	-
Mutual Funds	N/A	7,766,103	7,766,103	-	-	-
Exchange Traded Funds	N/A	1,252,843	1,252,843	-	-	-
Total Investments		<u>\$ 9,028,973</u>	<u>\$ 9,028,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

N/A - Not Applicable

The Mutual Funds are reported in the Pension Trust Fund.

The following is a summary of assets measured at fair value:

Description	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	10,027	468	9,559	-
Mutual Funds	7,766,103	6,262,743	1,503,360	-
Exchange Traded Funds	1,252,843	1,252,843	-	-
Total	<u>\$ 9,028,973</u>	<u>\$ 7,516,054</u>	<u>\$ 1,512,919</u>	<u>\$ -</u>

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.

Credit Risk-Investments- The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of Credit Risk- The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

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.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Receivables

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

	General Fund	W&S Capital Improvements Fund	Capital Improvements Fund	Hinsdale Renovation Project	Waterworks	Sewer	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	\$ 724,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 724,496
Interest, Liens, and Fees	248,182	-	-	-	25,586	24,631	-	298,399
Sewer assessment	-	-	-	-	-	-	-	-
Intergovernmental	-	61,404	1,456,367	1,761,681	-	-	641,935	3,921,387
Loans *	-	-	-	-	-	-	1,030,530	1,030,530
Rents and assessments	-	-	-	-	120,738	166,599	-	287,337
Accounts	335,329	-	-	-	-	-	-	335,329
Gross receivables	<u>1,308,007</u>	<u>61,404</u>	<u>1,456,367</u>	<u>1,761,681</u>	<u>146,324</u>	<u>191,230</u>	<u>1,672,465</u>	<u>6,597,478</u>
Less allowance for uncollectibles:								
Property taxes	(50,000)	-	-	-	-	-	-	(50,000)
Interest, Liens, and Fees	(25,000)	-	-	-	-	-	-	(25,000)
Rents and assessments	-	-	-	-	(15,906)	(8,205)	-	(24,111)
Total allowance	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,906)</u>	<u>(8,205)</u>	<u>-</u>	<u>(99,111)</u>
Net Total Receivables	<u>\$ 1,233,007</u>	<u>\$ 61,404</u>	<u>\$ 1,456,367</u>	<u>\$ 1,761,681</u>	<u>\$ 130,418</u>	<u>\$ 183,025</u>	<u>\$ 1,672,465</u>	<u>\$ 6,498,367</u>

* Not expected to be collected within one year.

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
General Fund:		
Delinquent Property Taxes Receivable	\$ 593,296	\$ -
Delinquent interest, liens, fees receivable	187,787	-
ARPA Fund		
Unexpended Grant Receipts	-	2,180,095
Grants & Donations Fund:		
Unexpended Grant Receipts	-	454,190
Sewer Assesment:		
Assesments Receivable not yet due	26,851	-
Delinquent interest, liens, fees receivable	<u>7,188</u>	<u>-</u>
Total Unavailable/Unearned Revenue for Government Funds	<u>\$ 815,122</u>	<u>\$ 2,634,285</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning <u>Balances</u>	<u>Increases</u>	Decreases & <u>Adjustments</u>	Ending <u>Balances</u>
<i>Governmental Activities:</i>				
Capital assets, not being depreciated				
Land	\$ 25,839,045	\$ -	\$ -	\$ 25,839,045
Construction in Progress	14,372,000	5,527,415	(13,629,245)	6,270,170
Total capital assets, not being depreciated	40,211,045	5,527,415	(13,629,245)	32,109,215
Capital assets, being depreciated				
Buildings	5,573,746	15,700,708	-	21,274,454
Improvements	4,580,564	219,654	-	4,800,218
Machinery & Equipment	12,534,598	489,519	(174,670)	12,849,447
SBITA Right of Use	-	228,570	-	228,570
Right of Use Lease	-	92,105	-	92,105
Infrastructure	33,359,359	1,717,754	-	35,077,113
Total capital assets, being depreciated	56,048,267	18,448,310	(174,670)	74,321,907
Less accumulated depreciation for:				
Buildings	3,546,667	91,530	-	3,638,197
Improvements	1,812,483	135,119	-	1,947,602
Machinery & Equipment	8,389,739	525,573	(155,170)	8,760,142
SBITA Right of Use	-	52,676	-	52,676
Right of Use Lease	-	42,094	-	42,094
Infrastructure	22,335,065	778,989	-	23,114,054
Total accumulated depreciation, net	36,083,954	1,625,981	(155,170)	37,554,765
Total capital assets, being depreciated	19,964,313	16,822,329	(19,500)	36,767,142
<i>Governmental Activities capital assets, net</i>	<u>\$ 60,175,358</u>	<u>\$ 22,349,744</u>	<u>\$ (13,648,745)</u>	<u>\$ 68,876,357</u>
<i>Business-Type Activities:</i>				
Capital assets not being depreciated				
Land	\$ 85,476	\$ -	\$ -	\$ 85,476
Construction in Progress	1,439,527	982,556	(854,613)	1,567,470
Total capital assets, not being depreciated	1,525,003	982,556	(854,613)	1,652,946
Capital assets, being depreciated				
Buildings	35,540,811	-	-	35,540,811
Improvements	3,112,280	-	-	3,112,280
Machinery & Equipment	6,756,730	118,206	-	6,874,936
Infrastructure	16,674,980	2,068,994	-	18,743,974
Total capital assets, being depreciated	62,084,801	2,187,200	-	64,272,001
Less accumulated depreciation for:				
Buildings	21,192,435	710,816	-	21,903,251
Improvements	1,876,249	55,409	-	1,931,658
Machinery & Equipment	5,834,209	85,445	-	5,919,654
Infrastructure	9,031,855	327,848	-	9,359,703
Total accumulated depreciation	37,934,748	1,179,518	-	39,114,266
Total capital assets, being depreciated, net	24,150,053	1,007,682	-	25,157,735
<i>Business-Type Activities capital assets, net</i>	<u>\$ 25,675,056</u>	<u>\$ 1,990,238</u>	<u>\$ (854,613)</u>	<u>\$ 26,810,681</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

Governmental activities:	
General Government	\$ 207,105
Public Safety	285,272
Public Works	965,081
Education	128,016
Parks and Recreation	40,507
Total Depreciation Expense	
Governmental Activities	<u>\$ 1,625,981</u>
Business-type activities	
Waterworks	\$ 496,558
Sewer	682,960
Total Depreciation Expense	
Business-Type Activities	<u>\$ 1,179,518</u>

Construction Commitments

The Town has several active construction projects as of June 30, 2023. At year-end, the Town's commitments are as follows:

	Spent to Date	Remaining Commitment
Mary P. Hinsdale School Renovation	\$ 15,948,160	\$ 520,693
Case Avenue Bridge Rehabilitation	611,669	1,587,629
Sue Grossman Trail	1,311,801	52,918
Crystal Lake Storage Tank	604,963	1,761,537
Wallens Hill Storage Tank	593,462	1,921,038
	\$ 19,070,055	\$ 5,843,815

The Town accepted a bid of \$13,068,000 in March 2021 for renovation of the Hinsdale School. Subsequent change orders and contracted architect services have increased the project commitment to \$16,468,853. A September 2019 referendum authorized the project at a total cost of \$17,425,000 of which \$16,889,000 was allocated to construction and architect fees.

Expansion of the Sue Grossman Trailway will be funded through a 1.55 million grant from the State of Connecticut. Construction work was substantially completed in fiscal year 2023.

The Wallens Hill and Crystal Lake Water Tank Replacements projects are being partly funded through the Connecticut Drinking Water State Revolving Fund. Replacement of the water mains began in fiscal year 2023 and is slated to be complete in fiscal year 2024. A May 2021 and a subsequent referendum in November 2022 authorized a combined \$8,500,000 for the construction work.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Interfund Transfers, Receivables, and Payables

Transfer to:	Transfer from:				
	General Fund	Sewer Fund	Water Fund	ARPA Fund	Total
General Fund	\$ -	\$ 29,688	\$ -	\$ -	\$ 29,688
Debt Service Fund	468,419	-	-	-	468,419
W&S Capital Improvements Fund	-	61,000	355,000	-	416,000
Sewer Assessments	-	709,811	-	-	709,811
Capital Improvements Fund	1,913,346	-	-	320,000	2,233,346
	<u>\$ 2,381,765</u>	<u>\$ 800,499</u>	<u>\$ 355,000</u>	<u>\$ 320,000</u>	<u>\$ 3,857,264</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds and bond payments in the Sewer Fund paid from sewer assessment.

Interfund receivables and payables are a result of temporary loans and/or advances to various funds. The amount due from Sewer Assessments to the Sewer Fund, are not expected to be repaid within one year. The composition of interfund balances as of June 30, 2023 is as follows:

Due From:	Due To:							Total
	General Fund	ARPA Fund	Water & Sewer Capital Improvements Fund	Capital Improvements Funds	Nonmajor Funds	Water Fund	Sewer Fund	
General Fund	\$ -	\$ 1,201,955	\$ -	\$ 6,640,952	\$ 2,010,693	\$ 129,077	\$ 156,140	\$ 10,138,817
Nonmajor Funds	162,583	-	-	-	-	-	-	162,583
W&S Capital Improvements Fund	2,060,942	-	-	-	-	-	-	2,060,942
Hinsdale Renovation Project	1,746,494	-	-	-	-	-	-	1,746,494
ARPA	-	-	-	316,556	-	-	-	316,556
Sewer Fund	62,907	-	412,974	-	-	108,289	-	584,170
Water Fund	57,676	-	919,254	-	-	-	-	976,930
	<u>\$ 4,090,602</u>	<u>\$ 1,201,955</u>	<u>\$ 1,332,228</u>	<u>\$ 6,957,508</u>	<u>\$ 2,010,693</u>	<u>\$ 237,366</u>	<u>\$ 156,140</u>	<u>\$ 15,986,492</u>

Long-Term Debt

Long-Term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 836,000	\$ 11,500,000	\$ 420,000	\$ 11,916,000	\$ 991,000
Bond Premium	-	785,973	-	785,973	78,956
Total Bonds Payable	<u>836,000</u>	<u>12,285,973</u>	<u>420,000</u>	<u>12,701,973</u>	<u>1,069,956</u>
General obligation note	5,000,000	-	5,000,000	-	-
Leases Payable	-	92,105	41,641	50,464	42,388
SBITA Payable	-	228,570	65,448	163,122	559
Equipment Financing Note	-	247,768	43,343	204,425	29,675
Compensated absences	842,607	-	148,931	693,676	285,251
Heart and hypertension	659,957	-	65,349	594,608	65,768
Net Pension Liability	4,686,027	-	107,755	4,578,272	-
Net Pension Liability-MERS	2,485,014	1,737,107	-	4,222,121	-
OPEB liability	<u>2,717,786</u>	<u>190,276</u>	<u>-</u>	<u>2,908,062</u>	<u>-</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 17,227,391</u>	<u>\$ 14,781,799</u>	<u>\$ 5,892,467</u>	<u>\$ 26,116,723</u>	<u>\$ 1,493,597</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-Type Activities:					
Drinking water revolving fund loans	-	1,092,528	-	1,092,528	30,750
Clean water fund loans	168,969	-	35,557	133,412	36,275
Compensated absences	172,689	1,180	4,620	169,249	64,467
Total Business-Type Activities					
Long-Term Liabilities	\$ 341,658	\$ 1,093,708	\$ 40,177	\$ 1,395,189	\$ 131,492

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

General Obligation Bonds and Note

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

Description	Date of Issue	Original Issue	Interest Rate	Date of Maturity	Annual Principal	Principal Outstanding June 30, 2023
General Purposes:						
Public Improvements	8/14/2008	6,316,000	4.02%	8/15/2023	\$ 416,000 - 425,000	\$ 416,000
Road Bond	4/5/2023	7,400,000	4-5%	4/1/2043	370,000	7,400,000
Education Purposes:						
Hinsdale School	4/5/2023	4,100,000	4-5%	4/1/2043	205,000	4,100,000

All bonds are general obligation bonds secured by the general revenue raising powers of the Town, and payment will be provided by General Fund revenues, except for proprietary fund type bonds, which are expected to be paid from the receipts of the related fund, and Highland Lake Sewer Fund Bonds, which are expected to be paid by revenues of the Sewer Assessment Fund.

Annual debt service requirements to maturity for general obligation bonds and note are as follows:

Year Ending	Governmental Activities	
	Principal	Interest
2024	\$ 991,000	\$ 261,362
2025	575,000	238,625
2026	575,000	224,250
2027	575,000	209,875
2028	575,000	195,500
2029-2033	2,875,000	764,750
2034-2038	2,875,000	460,000
2039-2043	2,875,000	150,300
Total	\$ 11,916,000	\$ 2,504,662

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Equipment Financing Notes – Direct Borrowings

The Town has entered into equipment financing note for the purchase of a Vehicle with plow with interest rates of 6.69%. The note is due at various dates through 2029. The annual debt service requirements of the Town's equipment financing notes are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 29,675	\$ 13,667	\$ 43,342
2025	31,659	11,683	43,342
2026	33,776	9,567	43,343
2027	36,034	7,309	43,343
2028	38,444	4,899	43,343
thereafter	34,836	2,329	37,165
	<u>\$ 204,424</u>	<u>\$ 49,454</u>	<u>\$ 253,878</u>

Clean Water Fund Notes

The Town is currently participating in a capital project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for "eligible water quality project costs." The notes were converted to permanent financing on January 31, 2008, and the balance as of June 30, 2023, was \$133,412. The notes carry an interest rate of 2%.

The Town is currently participating in a capital project under the State of Drinking Water State Revolving Fund established in accordance with Section 22a-478(j) of the General Statutes of Connecticut. The Drinking Water State Revolving Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for "eligible public water systems." The notes were converted to permanent financing on June 23, 2022, and the balance as of June 30, 2023, was \$1,092,528. The notes carry an interest rate of 2%.

Project loan obligations payable to the State of Connecticut mature as follows:

<u>Year</u> <u>Ending</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 67,025	\$ 38,156
2025	83,907	22,412
2026	85,600	20,719
2027	71,188	19,044
2028	49,797	17,910
2029-2033	264,475	74,059
2034-2038	292,266	46,268
2039-2043	311,682	15,567
Total	<u>\$ 1,225,940</u>	<u>\$ 254,135</u>

Bonds and Notes Authorized and Unissued

At June 30, 2023 there was \$36,817,397 authorized and unissued bonds and notes for costs related to capital projects. \$12,109,925 related to the renovations, improvements, and additions to the Mary P. Hinsdale Elementary School, \$7,407,472 for costs related to replacements and improvements to water mains and water storage tanks, and \$17,300,000 for costs related to various capital improvements to roadways, sidewalks and highland lake drainage systems, and the acquisition of fire apparatus.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Statutory Debt Limitation

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 56,919,542	\$ 25,116,000	\$ 31,803,542
Schools	113,839,083	16,209,925	97,629,158
Sewers	94,865,903	168,969	94,696,934
Urban Renewal	82,217,166	-	82,217,166
Pension Deficit	75,892,722	-	75,892,722

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$177,083,018.

Lease Payable

The Town leases equipment under long-term, noncancelable lease agreements. The leases expire at various dates through June 2025. As a result of the leases, the Town has recorded right of use equipment with a net book value of \$50,011 as of June 30, 2023. The future principal and interest lease payments as of June 30, 2023, are as follows:

Year(s)	Principal	Interest	Total
2024	\$ 42,388	\$ 680	\$ 43,068
2025	8,076	31	8,107
	<u>\$ 50,464</u>	<u>\$ 711</u>	<u>\$ 51,175</u>

Subscription-Based Information Technology Arrangements Payable

The Town has entered into subscription-based information technology arrangements ("SBITAs"). The SBITA arrangements expire at various dates through June 2028. As of June 30, 2023, SBITA assets and related accumulated amortization totaled \$228,570 and \$52,676, respectively. The future subscription payments under SBITA agreements as of June 30, 2023, are as follows:

Year(s)	Principal	Interest	Total
2024	\$ 9,965	\$ 4,110	\$ 14,075
2025	55,975	3,045	59,020
2026	57,494	1,526	59,020
2027	19,578	622	20,200
2028	20,110	90	20,200
	<u>\$ 163,122</u>	<u>\$ 9,393</u>	<u>\$ 172,515</u>

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

NOTE 4 - FUND BALANCE ASSIGNMENTS

The components of fund balance for the governmental funds at June 30, 2023 are as follows:

	General Fund	Capital Improvements Fund	ARPA Fund	W&S Capital Improvements Fund	Hinsdale Renovation Project	Nonmajor Governmental Funds	Total
Fund balances:							
Nonspendable:							
Winchester Memorial Park Fund	\$ -	\$ -	\$ -	\$ -	\$ -	8,300	\$ 8,300
Jane A Nisbet Fund	-	-	-	-	-	250	250
Town Park Fund	-	-	-	-	-	6,911	6,911
Forest View Cemetery Fund	-	-	-	-	-	138,267	138,267
Winchester Center Cemetery Fund	-	-	-	-	-	33,648	33,648
Total Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	187,376	\$ 187,376
Restricted for:							
Small Cities	\$ -	\$ -	\$ -	\$ -	\$ -	1,313,211	\$ 1,313,211
ARPA Fund	-	-	15,397	-	-	-	15,397
Brownfields Pilot Program	-	-	-	-	-	156,765	156,765
Elderly Enrichment Part I Fund	-	-	-	-	-	-	-
Cemetery Association Trust Fund	-	-	-	-	-	669	669
Soldiers Monument Restoration Fund	-	-	-	-	-	15,337	15,337
Anti Blight Fund	-	-	-	-	-	255,271	255,271
Winchester Memorial Park Fund	-	-	-	-	-	6,171	6,171
Champs Fund	-	-	-	-	-	68,286	68,286
Grants & Donations Fund	-	-	-	-	-	323,330	323,330
Winchester School Trust Fund	-	-	-	-	-	97,560	97,560
Forest View Cemetery Fund	-	-	-	-	-	6,267	6,267
Winchester Center Cemetery Fund	-	-	-	-	-	6,278	6,278
Winchester Bond Sinking Fund	-	-	-	-	-	18	18
Forest View Cemetery Chapel Trust	-	-	-	-	-	630	630
Jane A Nisbet Fund	-	-	-	-	-	7,534	7,534
Town Park Fund	-	-	-	-	-	93,186	93,186
Student Activity Fund	-	-	-	-	-	11,603	11,603
Beverly Pass Fund	-	-	-	-	-	-	-
Total Restricted	\$ -	\$ -	\$ 15,397	\$ -	\$ -	2,362,116	\$ 2,377,513
Committed to:							
Industrial Park #2 Fund	\$ -	\$ -	\$ -	\$ -	\$ -	236,246	\$ 236,246
Cafeteria Fund	-	-	-	-	-	95,207	95,207
City Sidewalks Fund	-	-	-	-	-	859	859
Debt Service Fund	-	-	-	-	-	1,254,392	1,254,392
Education	365,530	-	-	-	-	-	365,530
Hinsdale Renovation Project	-	-	-	-	-	-	-
Capital Improvements	1,093,346	8,746,034	-	-	-	-	9,839,380
Total Committed	\$ 1,458,876	\$ 8,746,034	\$ -	\$ -	\$ -	1,586,704	\$ 11,791,614
Assigned - Encumbrances	\$ 9,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,893
Unassigned	\$ 8,912,178	\$ -	\$ -	\$ (793,976)	\$ (99,682)	\$ (8,305)	\$ 8,010,215

Deficit Fund Balances

The W&S Capital Improvements fund (\$793,976), Hinsdale Renovation Project Fund (\$99,682), and Elderly Enrichment Part I Fund (\$8,305) have unassigned fund balance deficits as of June 30, 2023. The Town plans to fund the deficit through transfers from the General Fund, along with charges and fees for services.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

NOTE 5 - EMPLOYEE RETIREMENT PLANS

The Town accounts for activity relating to four defined benefit pension plans, (1) Defined Contribution Plan, 2) Defined Benefit Pension Plan, 3) the Connecticut Teachers' Retirement System, and 4) the Municipal Employees Retirement System. As of and for the year ended June 30, 2023, the plans had the following balances reported in the Town's government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Defined Contribution Plan	\$ -	\$ -	\$ -	\$ -	\$ 99,936
Defined Benefit Pension Plan	4,578,272	1,071,555	878		157,239
Connecticut Teachers' Retirement System	-	-	-	1,479,075	1,479,075
Municipal Employees' Retirement System	4,222,121	1,780,468	589,778	-	797,610
	<u>\$ 8,800,393</u>	<u>\$ 2,852,023</u>	<u>\$ 590,656</u>	<u>\$ 1,479,075</u>	<u>\$ 2,533,860</u>

Detailed disclosures of each plan follow.

Defined Contribution Plan

As of July 1, 2014, non-union employees and newly hired union positions are eligible to participate in a Defined Contribution retirement plan administered by the Town. The deferred compensation plan currently has 24 participants enrolled in the plan. The Town will match employee contributions up to 6% of eligible compensation. The total expense to the Town for the year ended June 30, 2023 was \$99,936. Contributions are made to accounts in the participant's name, there are no assets accumulated in a trust that meets the criteria in GASB Statement No. 73, paragraph 4.

Defined Benefit Pension Plan

Plan Description - The Town of Winchester is the administrator of a single-employer public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its municipal employees. The Plan provides retirement, death, and disability benefits to plan members and beneficiaries. The PERS is considered to be part of the Town of Winchester's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The plan does not issue a stand-alone financial report. The Retirement Administration Board has the authority to make rules and regulations for the administration of the plan. The Board consists of the Town Manager, two citizens at large, and two non-supervisory employees of the Town appointed by the Board of Selectmen. The Town manager's seat is ex-officio (non-voting).

Classes of Employees Covered and Current Membership – Supervisors hired prior to December 20, 2012, Public Works employees hired prior to December 1, 2014, Secretaries/Administrators hired prior to December 4, 2014, and Dispatchers hired prior to December 11, 2015 (except Police Officers covered by CMERS, those covered by the State of Connecticut Teachers Retirement System, and alternative funding source employees) at least 21 years of age and having six months of service are eligible. One year of credited service is earned for each calendar year during which 1,000 hours is worked. Current membership consists of the following:

Active plan members	19
Inactive plan members or beneficiaries receiving benefits	57
Inactive plan members entitled to but not yet receiving benefits	<u>9</u>
Total plan participants	<u>85</u>

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Benefits Provided - Employees are 100% vested after five years of continuous service as long as their contributions remain in the fund upon termination. Employees who retire at the normal retirement age 65 or 5 years of service (age 55 or 10 years of services for BOE members); or upon meeting the rule of 75 (age plus years of service = 75) receive a retirement benefit for life of 2% times years of credited service (maximum of 25 years for BOE; 35 years for all other employees) of the average of the three highest consecutive years of compensation out of the last 10 years prior to retirement. No cost of living adjustments are included. Members can withdraw or discontinue their contributions at any time during their service with the Town. They can re-join the plan after one year from the date the participant elected to withdraw or discontinue their contributions. Members' contributions are also returnable on termination or upon death while active. The balance of contributions is returnable after retirement (less any benefits paid) provided in each case that no death benefits are otherwise paid.

Contributions - The contribution requirements of the Town are established and may be amended by the Board of Selectmen, as suggested by the actuarial valuations. The actuarial method used to develop the annual funding percentage for all benefits is the Entry Age Normal Actuarial Cost Method. The Town currently contributes at the actuarially determined rate; the current rate is 39.75% of annual covered payroll. Plan participants from the Board of Education are required to contribute 2.5% of their earnings up to the Social Security base and 5% of earnings over the Social Security base. All others must contribute 5% of earnings. Costs to administer the plan are paid by the Pension Trust Fund and are included in the actuarially determined contribution. Investment management fees are also paid out of the Pension Trust Fund.

Summary of Significant Accounting Policies

Basis of Accounting - The Town of Winchester Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investment Policy - The Pension Plan's policy in regards to the allocation of invested assets is established and may be amended by the Retirement Administration Board. It is the policy of the Town's board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Method Used to Value Investments - All funds are invested at Morgan Stanley and administered through First State Trust Company, and are reported at fair value. Investment income is recognized as earned.

There were no investments that represented 5% or more of the pension plan's fiduciary net position.

Money-weighted Rate of Return - For the year ended June 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 7.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Currently there is no Deferred Retirement Option Plan.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2023, were as follows:

Schedule of Net Pension Liability

	2023
Total pension liability	\$ 13,643,633
Plan fiduciary net position	9,065,361
Net pension liability (asset)	<u>\$ 4,578,272</u>
Plan fiduciary net position as a percentage of total pension liability	66.44%
Covered payroll	1,258,969
Net pension liability as a % of covered payroll	363.65%

Actuarial Methods and Assumptions - The annual required contribution for the current year was determined as part of the January 1, 2022 actuarial valuation using the entry age normal actuarial cost method. The funding policy consists of two parts, normal cost plus an amortization of the plan's Unfunded Actuarial Liability. For the January 1, 2023 valuation, a closed amortization period of 16 years was used. Significant actuarial assumptions used include: (1) rate of return on investments of 6.75% per year, (2) projected salary increases of 2.40% per year, and (3) a normal retirement age at the later of age 65 or 5 years of service. The unfunded actuarial accrued liability is being amortized over 18 years. Mortality was based on Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to valuation date with Scale MP-2021. An expenses study has not been performed.

Discount Rate – The long-term expected rate of return on investments may be used to discount liabilities to the extent that the plan's fiduciary net position and future contributions are projected to be sufficient to cover expected benefit payments and administrative expenses for current plan members. Projections of the plan's fiduciary net position incorporate all cash flows for contributions from the employer and employee and administrative expenses. Professional judgment should be applied to the projections of contributions in circumstances where a) contributions amounts are established by statute or contract or b) a formal written policy exists. Consideration should also be given to the most recent five-year contribution history as key indicators of future contributions. It should not include cash flows for future plan members.

If the amount of the plan's fiduciary net position is projected to be greater than or equal to the benefit payments and administrative expenses made in that period, the actuarial present value of payments should be discounted using the long-term expected rate of return on those investments. A 20-year, high quality (AA/Aa or higher), tax-exempt municipal bond yield or index rate must be used to discount benefit payments for periods where the fiduciary net position is not projected to cover the expected benefit payments and administrative expenses.

Plans that are projected to have a sufficient fiduciary net position indefinitely will use the long-term expected return on investments to determine liabilities but will have to substantiate their projected solvency. Plans that are projected to not have a sufficient fiduciary net position (i.e., assets are not sufficient to cover future benefit payments and administrative expenses) will be required to use a blended single equivalent discount rate, which may be significantly lower than the long-term expected rate of return on investments and will result in higher liabilities. GASB permits alternative methods to evaluate sufficiency of the plan's fiduciary net position. Based on the plan's current net pension liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, we have used the 6.75% interest rate assumption to discount plan liabilities.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

	<u>Current Discount Rate</u> 6.75%	<u>1% Decrease Discount Rate</u> 5.75%	<u>1% Increase Discount Rate</u> 7.75%
Net pension liability as of June 30, 2023	\$4,578,272	\$5,826,439	\$3,498,648

Valuation Date and Roll Forward Process – The plan used the January 1, 2023 valuation to calculate the Actuarially Determined Employer Contribution for fiscal year ending June 30, 2023. The January 1, 2023 Total Pension Liability was increased by service cost, interest, and decreased by benefit payments to estimate the Total Pension Liability as of June 30, 2023. The Total Pension Liability as of June 30, 2023 was also adjusted to reflect any material plan changes after the valuation.

Target Allocation and Expected Rate of Return June 30, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>	<u>Weighting</u>
U.S. Large Cap	20.00%	4.30%	0.86%
U.S. Mid Cap	9.00%	4.80%	0.43%
U.S. Small Cap	6.00%	4.80%	0.29%
International-Developed	10.00%	4.90%	0.49%
Emerging Markets	7.00%	7.80%	0.55%
Domestic Government Fixed	10.00%	4.80%	0.48%
Global High Yield	5.00%	8.60%	0.43%
International Fixed	5.00%	3.00%	0.15%
Global Inflation Adjusted	5.00%	3.80%	0.19%
Real Estate	5.00%	4.00%	0.20%
Hedge Strategy	10.00%	6.60%	0.66%
Commodities	5.00%	5.00%	0.25%
Cash	3.00%	3.70%	0.11%
	100.00%		5.09%
Long-Term Inflation Expectation			2.40%
Long-Term Expected Nominal Return			7.49%

* Long-term returns are provided by Morgan Stanley. The returns are geometric means.

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 are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 6.75% was used.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2022	\$ 13,660,116	\$ 8,974,089	\$ 4,686,027
Changes for the year:			
Service Cost	154,592	-	154,592
Interest	897,343	-	897,343
Differences Between Expected and Actual Experience	(9,656)	-	(9,656)
Changes in Assumptions	-	-	-
Employer Contributions	-	450,272	(450,272)
Member Contributions	-	58,792	(58,792)
Net Investment Income	-	647,265	(647,265)
Benefit Payments	(1,058,762)	(1,058,762)	-
Administrative Expenses	-	(6,295)	6,295
Net Changes	(16,483)	91,272	(107,755)
Balance at June 30, 2023	\$ 13,643,633	\$ 9,065,361	\$ 4,578,272
Plan fiduciary net position as a percentage of the total pension liability			66.44%
Covered Payroll			\$ 1,258,969
Net pension liability as a percentage of covered payroll			363.65%

For the year ended June 30, 2023, the Town recognized pension expense (gain) of \$501,388. As of June 30, 2023, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town contributions subsequent to the measurement date	\$ -	\$ -
Net difference between projected and actual earnings of Pension Plan investments	727,733	-
Differences between expected and actual experience	-	878
Changes of assumptions	-	-
Total	\$ 727,733	\$ 878

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as net deferred outflows (inflows) of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:

2024	\$ 214,419
2025	108,697
2026	415,735
2027	(11,996)
	<u>\$ 726,855</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Connecticut State Teacher's Retirement System

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

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 the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary). In addition, amounts derived from accumulation of the 6% contributions made prior to July 1, 1989, and voluntary contributions are payable.

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 regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

Contributions: Per Connecticut General Studies 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.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2023 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$404,659. Covered payroll for the town for the year ended June 30, 2023 was approximately \$5,780,847.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2023 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>15,303,233</u>
Total	\$ 15,303,233

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2023, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2023, the Town recognized benefits expense and contribution revenue of \$1,206,548 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$1,479,075 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50 Percent
Salary increases, including inflation	3.00-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 Percent

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

Future Cost-of-Living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.00%	5.40%
Developed Market Intl. Stock Fund	11.00%	6.40%
Emerging Market Intl. Stock Fund	9.00%	8.60%
Core Fixed Income Fund	13.00%	0.80%
Inflation Linked Bond Fund	5.00%	3.80%
Emerging Market Debt Fund	3.00%	3.40%
High Yield Bond Fund	19.00%	5.20%
Real Estate Fund	10.00%	9.40%
Private Equity	5.00%	6.50%
Alternative Investments	3.00%	3.10%
Liquidity Fund	2.00%	-0.40%

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

Sensitivity of the 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.

Municipal Employees' Retirement System

Plan Description: All Town employees not covered by the Town's defined contribution plan, the Town's defined benefit pension plan, or the teacher retirement system participate in the Municipal Employees' Retirement System (MERS). This is a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating local government authorities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at www.ct.gov.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Benefit Provisions: The Plan provides retirement, disability and death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. In addition, compulsory retirement is at age 65 for police and fire members.

Normal Retirement: For members not covered by social security, retirement benefits are calculated as 2% of average final compensation, times years of service. For members covered by social security, retirement benefits are calculated as 1.5% of the average final compensation not in excess of the year's breakpoint plus 2% of average final compensation in excess of the year's breakpoint, times years of service. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

Early Retirement: Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Disability Retirement – Service Connected: Employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability, 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 – Non-Service Connected: Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

Death Benefit: Employees who are eligible for service, disability, or early retirement and married for at least 12 months preceding death. Benefits are calculated based on the average of the three highest paid years of service and creditable service at date of death, payable to the spouse. Benefit is equal to 50% of the average of the life annuity allowance and the reduced 50% joint and survivor allowance.

Contributions - Member: Contributions for members not covered by social security are 6% of compensation; for members covered by social security, 3.25% of compensation up to the social security taxable wage base plus 6%, if any, in excess of such base.

Contributions – Employer: Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2023, the Town reports a total liability of \$4,222,121 for government-wide financials for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation at that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2022, the Town's proportion was 4.06%.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

For the year ended June 30, 2023, the Town recognized pension expense in the government-wide financial statements of \$797,610. As of June 30, 2023, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Town contributions subsequent to the measurement date	\$ 433,937	\$ -
Net difference between projected and actual earnings	-	-
Difference between expected and actual experience	615,753	126,754
Changes in assumptions	601,932	-
Change in proportional share	128,846	463,024
Total	<u>\$ 1,780,468</u>	<u>\$ 589,778</u>

Amounts reported as deferred outflows of resources related to Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred outflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:

2024	\$ 186,315
2025	144,096
2026	90,773
2027	<u>335,569</u>
	<u>\$ 756,753</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases, including inflation	3.50-10.00 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	7.00 Percent

Mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees for the period after retirement and for dependent beneficiaries. The RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB is used by Police and Fire for the period after retirement and for dependent beneficiaries. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table projected to 2020 by Scale BB is used.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2012 – June 30, 2017.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.00%	6.90%
Public Credit	2.00%	2.90%
Core Fixed Income	13.00%	0.40%
Liquidity Fund	1.00%	-0.40%
Risk Mitigation	5.00%	0.10%
Private Equity	15.00%	11.20%
Private Credit	10.00%	6.20%
Real Estate	10.00%	6.30%
Infra. & Natural Resources	7.00%	7.70%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the Town's proportionate share of the net pension liability, calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>6.0%</u>	<u>7.0%</u>	<u>8.0%</u>
Net Pension Liability as of June 30, 2023	<u>\$ 5,898,554</u>	<u>\$ 4,222,121</u>	<u>\$ 2,821,641</u>

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

The Town accounts for activity relating to two other post-employment benefit plans, The Town of Winchester OPEB Plan and the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the plans had the following balances reported in the Town's government-wide financial statements:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Town of Winchester OPEB Plan	\$ 2,908,062	\$ 938,430	\$ 1,285,947	\$ -	\$ 72,869
Connecticut Teachers' Retirement System	-	-	-	116,670	116,670
	<u>\$ 2,908,062</u>	<u>\$ 938,430</u>	<u>\$ 1,285,947</u>	<u>\$ 116,670</u>	<u>\$ 189,539</u>

Detailed disclosures for each plan follow.

Town of Winchester OPEB Plan

Plan Description: The Town allows certain retired employees and their spouses to remain on the Town's health insurance plan until age 65. Certified Board of Education employees age 50 with 25 years of service or age 55 with 20 years of service or age 60 with 10 years of service are eligible. Town employees are eligible at age 55 with 10 years of service or Rule of 75. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 73.

Funding Policy: Retired Certified Board of Education employees pay 100% of the premiums. The Board of Education pays for 50% of each retiree's annual Health Savings Account contribution, which equals \$750 for single coverage and \$1,500 for 2 person or family coverage. All other Town retirees pay 100% of the premiums and 100% of any Health Savings Account contributions. The Town pays the full cost of insurance for one current retiree per a specific settlement agreement.

Effective June 2017, a Voluntary Employee Benefits Association (VEBA) trust was to be established by the Police Union, which is designed to provide medical benefits to police retirees. Per the Police Union labor contract, the primary funding source for this trust is a \$10 per hour surcharge on all outside details, which is paid by the contractor engaging the police to be present on the job site. The Town has no future funding requirements to police retiree medical benefits. At June 30, 2023 one current police retiree has medical coverage with the Town until age 65 per a specific settlement agreement.

Employees Covered by Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	8
Active plan members	119
	<u>127</u>

Total OPEB Liability: The Town's total OPEB liability of \$2,908,062 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2022 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Amortization Method	Level Percentage of Salary
Salary Increases	2.40%
Discount Rate	3.65% (Prior 3.54%) Which is based on the 20-bond GO index effective as of June 30, 2023.
Mortality Rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2021.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/22	\$ 2,717,786
Changes for the year:	
Service Cost	74,275
Interest	94,387
Difference Between Expected and Actual Experience	177,584
Changes of Benefit Terms	-
Changes in Assumptions	97,757
Benefit Payments	(253,727)
Net Changes	190,276
Balance at 6/30/23	\$ 2,908,062

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	Current Discount Rate 3.65%	1% Decrease 2.65%	1% Increase 4.65%
Total OPEB Liability as of June 30, 2023	\$ 2,908,062	\$ 3,337,042	\$ 2,564,244

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50% decreasing to 3.40%) or 1-percentage-point higher (7.50% decreasing to 5.40%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates	1% Decrease	1% Increase
Total OPEB Liability as of June 30, 2023	\$ 2,908,062	\$ 2,526,030	\$ 3,384,852

OPEB Expense: For the year ended June 30, 2023, the Town recognized OPEB expense of \$72,869.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

As of June 30, 2023, deferred inflows and outflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 442,576	\$ 735,578
Changes of assumptions	495,854	550,369
Total	<u>\$ 938,430</u>	<u>\$ 1,285,947</u>

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

Year ended June 30:

2024	\$ (71,373)
2025	(71,373)
2026	(71,373)
2027	(71,373)
2028	(70,021)
Thereafter	<u>7,996</u>
	<u>\$ (347,517)</u>

Connecticut Teachers' Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions - The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$440 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 \$440 per month towards coverage under a local school district plan. 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. Any member that 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.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

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 amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$24,646.

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.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.54%
Prior Measurement Date	2.16%

The projected fiduciary net position is projected to be depleted in 2027.

Single equivalent interest rate

Measurement Date	3.53%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	2.17%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.5% by 2031.
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Mortality rates were based on the PubT-2010 healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return - The long-term expected rate of return on Plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation 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 of investment expense and inflation) for each major asset class.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

The long-term expected rate of return was determined by weighing 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 target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%	1.12%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		1.50%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Total OPEB Liability	\$ 1,663,512	\$ 1,935,543	\$ 2,303,984

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.53%)	Current Discount Rate (3.53%)	1% Increase (4.53%)
Net OPEB liability	\$ 2,337,199	\$ 1,935,543	\$ 1,618,765

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2023 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 were 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>1,935,543</u>
Total	<u>\$ 1,935,543</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2023, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2023, the Town recognized OPEB expense and revenue of \$24,646 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized 116,670 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 7 - OTHER INFORMATION

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties, except for worker's compensation, which is handled through an interlocal risk pool. Settled claims for these risks did not exceed commercial insurance coverage for the current year or three prior years.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

A schedule of changes in the claims liability for heart and hypertension judgments for the years ended June 30, 2023, 2021 and 2020, is presented below:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2020-21	\$ 791,912	\$ -	\$ 66,606	\$ 725,306
2021-22	725,306	-	65,349	659,957
2022-23	659,957	-	65,349	594,608

Interlocal Risk Pool

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 Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 203 members in the Workers' Compensation Pool. CIRMA's Workers' Compensation Pool retains up to \$1,000,000 per occurrence. Claims over \$1,000,000 are reinsured. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, New Haven, CT.

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 judgment or judgments that could materially affect the Town's financial position.

The Town may be subject to rebate penalties to the federal government relating to various bond note issues. The Town expects such amounts, if any, to be immaterial.

The Town participates in Regional Refuse District No. 1, a transfer station that was formally a landfill. The District has been informed that its landfill is on the Superfund list and has been named a potentially responsible party by the Environmental Protection Agency. The District has settled its liability for the Remedial Investigation/Feasibility Study, and the EPA has approved a long-term natural attenuation and monitoring program as the final remedy for the site. The annual financial obligation for this long-term work was funded by amounts obtained in grant funds and assessed to all PRP's and set aside in a trust fund for these activities. At this point, it is premature to estimate the final cost of the program, as the total cost of post closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations. The towns served by the District are required to pay any shortfall in the District's budget. The Town of Winchester, CT is responsible for approximately 51% of any such shortfall.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

NOTE 8 –PRIOR PERIOD RESTATEMENT

During the fiscal year ended June 30, 2023, the Town reclassified capital assets between Waterworks and Sewer funds. The effects of this reclassification are below:

	Proprietary Funds	
	Waterworks Funds	Sewer Funds
Net position as previously reported as June 30, 2022	\$ 15,845,302	\$ 13,260,416
To reclassify capital assets to proper fund	(415,277)	415,277
Net position as restated at July 1, 2023	<u>\$ 15,430,025</u>	<u>\$ 13,675,693</u>

NOTE 9 –UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 99 – *Omnibus 2022* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the Town's reporting period beginning July 1, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 100 – *Accounting Changes and Error Corrections* - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2023.

GASB Statement No. 101 – *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2024.

Required Supplementary Information

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2023

Page 1 of 4

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Property Taxes	\$ 25,505,771	\$ 25,505,771	\$ 25,488,658	\$ (17,113)
Property Taxes - Prior Years	300,000	300,000	364,310	64,310
Supplemental Tax	200,000	200,000	289,785	89,785
Interest and Lien Fees	160,000	160,000	281,230	121,230
Total Taxes	<u>26,165,771</u>	<u>26,165,771</u>	<u>26,423,983</u>	<u>258,212</u>
Intergovernmental Revenue				
State of Connecticut - General Government	997,113	997,113	1,339,904	342,791
State of Connecticut - Board of Education	7,823,991	7,823,991	7,765,162	(58,829)
Total Intergovernmental Revenues	<u>8,821,104</u>	<u>8,821,104</u>	<u>9,105,066</u>	<u>283,962</u>
Other Local Revenues				
Licenses, Fees and Permits				
Cemeteries	35,000	35,000	41,655	6,655
Town Clerk	200,000	200,000	220,560	20,560
Charges for Services				
In Lieu of Taxes - Housing Authority	39,000	39,000	38,715	(285)
Building Department	142,000	142,000	211,988	69,988
Planning and Zoning	10,000	10,000	16,130	6,130
Inland Wetlands Commission	3,000	3,000	7,865	4,865
Zoning Board of Appeals	6,000	6,000	10,310	4,310
Police Department	13,650	13,650	7,561	(6,089)
Fire and Ambulance	56,200	56,200	62,493	6,293
Sale of Land and Equipment	-	-	15,909	15,909
Park and Recreation Department	20,000	20,000	20,000	-
Sewer-Water Administration	270,000	270,000	270,000	-
Sewer Debt Service	68,300	68,300	68,300	-
Other	75,000	75,000	439,958	364,958
Total Other Local Revenues	<u>938,150</u>	<u>938,150</u>	<u>1,431,444</u>	<u>493,294</u>
Total Revenues	<u>\$ 35,925,025</u>	<u>\$ 35,925,025</u>	<u>\$ 36,960,493</u>	<u>\$ 1,035,468</u>
Other Financing Sources				
Fund Balance- Unassigned	-	-	-	-
Fund Balance- BOE Nonlapsing	128,349	128,349	117,561	(10,788)
Total Other Financing Sources	<u>\$ 128,349</u>	<u>\$ 128,349</u>	<u>\$ 117,561</u>	<u>\$ (10,788)</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2023

Page 2 of 4

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES				
General Government				
Board of Selectmen	\$ 27,153	\$ 27,153	\$ 20,459	\$ 6,694
Town Clerk	205,547	205,547	189,916	15,631
Treasurer	49,907	49,907	49,462	445
Accounting Department	473,466	473,466	442,645	30,821
Election Expenditures	72,409	72,409	71,975	434
Insurance	467,711	467,711	384,337	83,374
Town Counsel	125,000	125,000	106,910	18,090
Town Manager	236,610	236,610	233,913	2,697
Building Department	203,431	203,431	157,447	45,984
Assessor	218,647	240,647	230,532	10,115
Board of Tax Review	2,842	8,342	7,657	685
Tax Collector	182,888	182,888	159,159	23,729
Planning and Zoning	2,731	2,731	2,015	716
Building - Town Hall	271,718	291,718	267,188	24,530
Inland Wetland Commission	4,260	4,827	4,766	61
Zoning Board of Appeals	3,830	3,830	734	3,096
Laurel City Commission	15,000	23,420	23,400	20
Northwest Conservation District	1,840	1,840	1,840	-
Purchasing/Data Processing	352,089	346,489	306,092	40,397
Probate Court	7,000	9,957	9,957	-
Senior Citizens	205,470	214,670	202,621	12,049
Rural Transit District	5,744	5,744	5,744	-
Vacation and Sick Pay Accrual	140,000	140,000	120,006	19,994
Highland Lake	44,158	44,158	20,607	23,551
Economic Development Commission	10,000	10,000	7,200	2,800
School Crossing Guards	57,270	57,270	41,088	16,182
Unemployment Compensation	18,000	18,000	2,550	15,450
Cemeteries	96,712	109,527	96,955	12,572
Soldiers Monument Commission	6,700	6,700	-	6,700
Planning and Community Development	292,927	292,360	239,071	53,289
Civil Service Commission	12,961	15,285	10,934	4,351
Farmington River Watershed	1,229	1,229	1,229	-
Other Town Properties	21,500	61,293	60,649	644
Friends of Main Street	9,000	9,000	9,000	-
Total General Government	<u>\$ 3,845,750</u>	<u>\$ 3,963,159</u>	<u>\$ 3,488,058</u>	<u>\$ 475,101</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2023

Page 3 of 4

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Library	\$ 240,990	\$ 240,990	\$ 240,990	\$ -
Miscellaneous	901,355	870,255	837,585	32,670
Waste Disposal and Recycling	215,188	215,188	215,188	-
Public Safety				
Police Department	3,422,713	3,422,713	3,202,574	220,139
Fire Department	436,592	436,592	415,654	20,938
Dog Account	46,230	46,230	44,735	1,495
Civil Preparedness	12,693	12,693	10,597	2,096
Winchester Fire Department	48,000	48,000	47,513	487
Ambulance	274,000	274,000	273,400	600
Social Services	4,764	4,764	1,316	3,448
Dispatch	288,888	288,888	286,236	2,652
Total Public Safety	4,533,880	4,533,880	4,282,025	251,855
Public Works				
Public Works Department/Highways	2,288,326	2,191,718	2,122,989	68,729
Street Lighting	140,000	164,000	157,647	6,353
Total Public Works	2,428,326	2,355,718	2,280,636	75,082
Health				
Department of Health	118,973	118,973	118,973	-
Youth and Family Services	30,539	30,539	30,539	-
Paramedic	-	-	-	-
Total Health	149,512	149,512	149,512	-
Parks and Recreation				
Park and Recreation Department	366,078	363,467	330,503	32,964
Education				
Board of Education	20,800,862	20,800,862	20,789,579	11,283
Retirement and Pension Contribution	\$ 497,656	\$ 497,656	\$ 494,794	\$ 2,862

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2023

Page 4 of 4

	Original Budget	Amended Budget	Actual	Variance
Debt Service				
Principal Retirement	\$ 392,000	\$ 392,000	\$ 392,000	\$ -
Interest	23,477	23,477	23,477	-
Infrastructure Interest	400,000	400,000	400,000	\$ -
Sewer Plant Principal Retirement	28,000	28,000	28,000	-
Sewer Plant Interest	3,055	3,055	3,055	-
Sewer Principal Retirement	35,557	35,557	35,557	-
Debt Service Transfer	150,000	150,000	150,000	-
Sewer Interest	1,688	1,688	1,688	-
Total Debt Service	<u>1,033,777</u>	<u>1,033,777</u>	<u>1,033,777</u>	<u>-</u>
Contingency	<u>20,000</u>	<u>8,910</u>	<u>-</u>	<u>8,910</u>
Total Expenditures	<u>35,033,374</u>	<u>35,033,374</u>	<u>34,142,647</u>	<u>890,727</u>
Other Financing Uses				
Transfer out to Capital Projects	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,020,000</u>	<u>-</u>
Total Other Financing Uses	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,020,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>36,053,374</u>	<u>36,053,374</u>	<u>35,162,647</u>	<u>890,727</u>
Excess of Revenues and Other Sources				
Over/(Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,915,407</u>	<u>\$ 1,915,407</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Summary of Significant Accounting Principles

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgetary Information and Accounting

The budgets are prepared on a modified accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year.

Encumbrance accounting is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities in the governmental funds.

Budgetary/GAAP Reconciliation

Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). The differences consist primarily of payments made by the State of Connecticut "on-behalf" of the Town into the State Teachers' Retirement System, which are not recorded for budgetary purposes, the revenues and expenditures for Water/Sewer Debt Service are shown in the General Fund for budgetary purposes and in the Proprietary funds for the GAAP statements, and expenditures from the BOE nonlapsing fund are shown for GAAP and not budgetary purposes. The budget as presented has been amended by the Board of Selectmen throughout the year.

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2023:

	<u>Total Revenue</u>	<u>Total Expenses</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 36,960,493	\$ 34,142,647	\$ (902,439)
"On-behalf" payments - State Teachers Retirement Fund	1,231,194	1,231,194	-
Adjustment for Encumbrances	-	73,495	-
Issuance of Right of Use Leases	-	92,105	92,105
Issuance of SBITA Leases	-	228,570	228,570
Issuance of Equipment Financing Notes	-	247,768	247,768
Other Funds Transfer	-	(468,419)	(1,479,326)
Miscellaneous	(2,308)	(2,308)	-
Reclass Water/Sewer Debt Service	(68,300)	(38,612)	29,688
GAAP Basis	<u>\$ 38,121,079</u>	<u>\$ 35,506,440</u>	<u>\$ (1,783,634)</u>

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 154,592	\$ 166,246	\$ 191,460	\$ 210,086	\$ 183,346	\$ 193,304	\$ 425,381	\$ 356,834	\$ 373,253	\$ 362,381
Interest	897,343	929,105	933,662	908,041	894,756	912,280	662,663	786,103	765,560	744,581
Changes in Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(9,656)	(581,984)	(90,953)	7,127	153,643	(188,032)	294,578	(756,267)	(502)	-
Changes of Assumptions	-	29,070	(160,524)	667,354	282,949	515,083	(5,159,423)	2,126,873	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(1,058,762)</u>	<u>(945,735)</u>	<u>(887,091)</u>	<u>(939,446)</u>	<u>(882,771)</u>	<u>(822,486)</u>	<u>(840,333)</u>	<u>(770,208)</u>	<u>(699,299)</u>	<u>(744,122)</u>
Net Change in Total Pension Liability	(16,483)	(403,298)	(13,446)	853,162	631,923	610,149	(4,617,134)	1,743,335	439,012	362,840
Total Pension Liability - Beginning	<u>13,660,116</u>	<u>14,063,414</u>	<u>14,076,860</u>	<u>13,223,698</u>	<u>12,591,775</u>	<u>11,981,626</u>	<u>16,598,760</u>	<u>14,855,425</u>	<u>14,416,413</u>	<u>14,053,573</u>
Total Pension Liability - Ending (a)	<u>\$ 13,643,633</u>	<u>\$ 13,660,116</u>	<u>\$ 14,063,414</u>	<u>\$ 14,076,860</u>	<u>\$ 13,223,698</u>	<u>\$ 12,591,775</u>	<u>\$ 11,981,626</u>	<u>\$ 16,598,760</u>	<u>\$ 14,855,425</u>	<u>\$ 14,416,413</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 450,272	\$ 725,000	\$ 653,248	\$ 614,795	\$ 552,800	\$ 739,680	\$ 801,260	\$ 598,100	\$ 448,806	\$ 153,179
Contributions - Member	58,792	40,003	78,884	77,769	82,165	84,438	104,223	118,366	88,137	103,410
Net Investment Income	647,265	(1,429,940)	2,113,031	75,518	415,037	555,677	767,942	(228,997)	222,132	983,007
Benefit Payments, Including Refunds of Member Contributions	(1,058,762)	(945,735)	(887,091)	(939,446)	(882,771)	(822,486)	(840,333)	(770,208)	(699,299)	(744,122)
Administrative Expenses	(6,295)	(6,921)	(6,404)	(6,012)	(5,862)	(5,714)	(5,126)	(4,927)	(2,174)	(21,100)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Pension Fiduciary Net Position	91,272	(1,617,593)	1,951,668	(177,376)	161,369	551,595	827,966	(287,666)	57,602	474,374
Plan Fiduciary Net Position - Beginning	<u>8,974,089</u>	<u>10,591,682</u>	<u>8,640,014</u>	<u>8,817,390</u>	<u>8,656,021</u>	<u>8,104,426</u>	<u>7,276,460</u>	<u>7,564,126</u>	<u>7,506,524</u>	<u>7,032,150</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,065,361</u>	<u>\$ 8,974,089</u>	<u>\$ 10,591,682</u>	<u>\$ 8,640,014</u>	<u>\$ 8,817,390</u>	<u>\$ 8,656,021</u>	<u>\$ 8,104,426</u>	<u>\$ 7,276,460</u>	<u>\$ 7,564,126</u>	<u>\$ 7,506,524</u>
Net Pension Liability - Ending: (a) - (b)	<u>\$ 4,578,272</u>	<u>\$ 4,686,027</u>	<u>\$ 3,471,732</u>	<u>\$ 5,436,846</u>	<u>\$ 4,406,308</u>	<u>\$ 3,935,754</u>	<u>\$ 3,877,200</u>	<u>\$ 9,322,300</u>	<u>\$ 7,291,299</u>	<u>\$ 6,909,889</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.44%	65.70%	75.31%	61.38%	66.68%	68.74%	67.64%	43.84%	50.92%	52.07%
Covered Payroll	\$ 1,258,969	\$ 1,523,321	\$ 1,643,188	\$ 1,692,050	\$ 1,691,109	\$ 1,830,753	\$ 2,281,285	\$ 2,254,826	\$ 2,376,673	\$ 2,668,367
Net Pension Liability as a Percentage of Covered Payroll	363.65%	307.62%	211.28%	321.32%	260.56%	214.98%	169.96%	413.44%	306.79%	258.96%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Contributions
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Employer Contribution (ADEC)	\$ 481,124	\$ 615,335	\$ 651,693	\$ 604,649	\$ 479,574	\$ 532,614	\$ 520,449	\$ 460,938	\$ 525,230	\$ 474,401
Contributions in Relation to the ADEC	<u>450,272</u>	<u>725,000</u>	<u>653,248</u>	<u>614,795</u>	<u>552,800</u>	<u>739,680</u>	<u>801,260</u>	<u>598,100</u>	<u>448,806</u>	<u>153,179</u>
Contribution Deficiency (Excess)	<u>\$ 30,852</u>	<u>\$ (109,665)</u>	<u>\$ (1,555)</u>	<u>\$ (10,146)</u>	<u>\$ (73,226)</u>	<u>\$ (207,066)</u>	<u>\$ (280,811)</u>	<u>\$ (137,162)</u>	<u>\$ 76,424</u>	<u>\$ 321,222</u>
Covered Payroll	1,258,969	1,523,321	1,643,188	1,692,050	1,691,109	1,830,753	2,281,285	2,254,826	2,376,673	2,668,367
Contributions as a Percentage of Covered Payroll	35.77%	47.59%	39.75%	36.33%	32.69%	40.40%	35.12%	26.53%	18.88%	5.74%

Notes to Schedule

Valuation Date: 1/1/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level Percent of Salary
Amortization method	Closed
Remaining amortization period	16 yrs
Asset valuation method	The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year. The Actuarial Value is adjusted, if necessary, to be within the range of 80% and 120% of the Market Value of assets.
Salary increases	2.40% increase per year
Investment rate of return	6.75%
Normal Retirement	Later of age 65 or 5 years of service.
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to the valuation date with Scale MP-2021

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Investment Returns

Last Ten Fiscal Years

Year Ended June 30:	Annual Money-Weighted Rate of Return, Net of <u>Investment Expense</u>
2014	14.55%
2015	3.03%
2016	-3.13%
2017	10.65%
2018	6.98%
2019	4.91%
2020	0.88%
2021	25.14%
2022	-13.72%
2023	7.47%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Town's Proportionate Share of the
Net Pension Liability and Schedule of Contributions
- Municipal Employees' Retirement System
Last Nine Fiscal Years*

**Schedule of Changes in the Net Pension Liability and Related Ratios
Last 10 Fiscal Years or Since Inception of GASB 68**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Percentage of Collective Net Pension Liability	4.059%	4.931%	4.678%	4.673%	3.953%	3.451%	3.451%	3.077%	3.077%
Town's Portion of Net Pension Liability	<u>\$ 4,222,121</u>	<u>\$ 2,485,014</u>	<u>\$ 3,860,309</u>	<u>\$ 3,405,129</u>	<u>\$ 2,685,922</u>	<u>\$ 1,380,023</u>	<u>\$ 1,613,600</u>	<u>\$ 941,454</u>	<u>\$ 696,164</u>
Town's Covered Payroll	<u>\$ 2,117,617</u>	<u>\$ 2,304,093</u>	<u>\$ 2,081,009</u>	<u>\$ 2,075,615</u>	<u>\$ 2,239,380</u>	<u>\$ 1,598,329</u>	<u>\$ 1,598,329</u>	<u>\$ 1,232,689</u>	<u>\$ 1,232,689</u>
Town's Portion of Net Pension Liability as a % of Covered Payroll	199.38%	107.85%	185.50%	164.05%	119.94%	86.34%	100.96%	76.37%	56.48%
Plan Fiduciary Net Position as a % of Total Pension Liability	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

**Schedule of Employer Contributions
Since Inception of GASB 68**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Contractually Required Contribution	\$ 483,749	\$ 482,949	\$ 415,876	\$ 368,109	\$ 349,482	\$ 305,365	\$ 267,400	\$ 274,508	\$ 255,456
Town's Contributions in Relation to the Contractually Required Contribution	<u>483,749</u>	<u>482,949</u>	<u>415,876</u>	<u>368,109</u>	<u>317,365</u>	<u>305,365</u>	<u>295,778</u>	<u>274,508</u>	<u>255,456</u>
Town's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,117</u>	<u>\$ -</u>	<u>\$ (28,378)</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	2,117,617	2,304,093	2,081,009	2,075,615	2,239,380	1,598,329	1,598,329	1,232,689	1,232,689
Town's Contributions as a Percentage of Covered Payroll	22.84%	20.96%	19.98%	17.73%	14.17%	19.11%	18.51%	22.27%	20.72%

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

Notes to Schedule

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age, normal cost method
Amortization method	Level dollar, closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market (20% write up)
Inflation	2.50%
Salary Increases	3.5%-10.00%, including inflation
Investment rate of return	7.00% net of investment expense, including inflation

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Other Post Employment Benefits (OPEB)
Schedule of Changes in Net OPEB Liability
Last Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 74,275	\$ 92,514	\$ 63,363	\$ 47,018	\$ 64,139	\$ 64,036
Interest	94,387	70,767	62,481	85,500	139,182	132,053
Changes in Benefit Terms	-	-	-	-	-	-
Differences Between Expected and Actual Experience	177,584	19,725	327,637	6,202	(1,286,990)	(18,120)
Changes of Assumptions	97,757	(575,734)	125,441	398,638	82,678	(129,193)
Benefit Payments	<u>(253,727)</u>	<u>(145,634)</u>	<u>(172,275)</u>	<u>(152,188)</u>	<u>(132,688)</u>	<u>(149,467)</u>
Net Change in Total OPEB Liability	190,276	(538,362)	406,647	385,170	(1,133,679)	(100,691)
Total OPEB Liability - Beginning	<u>2,717,786</u>	<u>3,256,148</u>	<u>2,849,501</u>	<u>2,464,331</u>	<u>3,598,010</u>	<u>3,698,701</u>
Total OPEB Liability - Ending	\$ 2,908,062	\$ 2,717,786	\$ 3,256,148	\$ 2,849,501	\$ 2,464,331	\$ 3,598,010
Covered-Employee Payroll	\$ 9,587,992	\$ 7,838,089	\$ 7,654,384	\$ 6,523,499	\$ 6,358,187	\$ 7,137,686
Total OPEB Liability as a Percentage of Covered-Employee Payroll	30.33%	34.67%	42.54%	43.68%	38.76%	50.41%

There are no assets that are being accumulated in a trust that meets the criteria in GASB 75 to pay benefits.

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

Notes to Schedule

Measurement Date	June 30, 2023
Valuation Date	July 1, 2022
Inflation Rate	2.40%
Discount Rate	3.65% (Prior 3.54%)
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Salary Increases	2.40%
Healthcare Cost Trend Rates	6.50% in 2022, reducing by 0.20% each year to an ultimate rate of 4.40% per year rate for 2033 and later. (Prior 6.50% in 2020, reducing by 0.25% each year to an ultimate rate of 4.40% per year rate for 2029 and later.)

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of the Town's Proportionate Share of Net Pension Liability
- Teachers' Retirement System
Last Nine Fiscal Years*

Schedule of Proportionate Share of Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	15,303,233	17,583,138	22,199,186	20,943,408	16,148,584	14,763,617	15,575,729	14,125,042	13,055,770
Total	<u>\$ 15,303,233</u>	<u>\$ 17,583,138</u>	<u>\$ 22,199,186</u>	<u>\$ 20,943,408</u>	<u>\$ 16,148,584</u>	<u>\$ 14,763,617</u>	<u>\$ 15,575,729</u>	<u>\$ 14,125,042</u>	<u>\$ 13,055,770</u>
Town's covered payroll	<u>\$ 5,780,847</u>	<u>\$ 5,663,576</u>	<u>\$ 5,456,788</u>	<u>\$ 5,372,594</u>	<u>\$ 5,218,621</u>	<u>\$ 5,362,820</u>	<u>\$ 4,934,307</u>	<u>\$ 4,879,007</u>	<u>\$ 4,600,786</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Remaining amortization period	27.8 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	3.0% - 6.50% average, including inflation
Investment rate of return	6.90% net of investment related expense

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Town's Proportionate Share of Net OPEB Liability
- Teachers' Retirement System
Last Six Fiscal Years*

Schedule of Proportionate Share of Net OPEB Liability

	2023	2022	2021	2020	2019	2018
Town's percentage of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	1,935,543	1,915,521	3,311,234	3,266,243	3,228,211	3,799,976
Total	\$ 1,935,543	\$ 1,915,521	\$ 3,311,234	\$ 3,266,243	\$ 3,228,211	\$ 3,799,976
Town's covered-employee payroll	\$ 5,780,847	\$ 5,663,576	\$ 5,456,788	\$ 5,372,594	\$ 5,218,621	\$ 5,362,820
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

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

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over a closed period
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	2.50%

See accountant's report.

Supplemental, Combining Individual Nonmajor Fund Statements, and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Industrial Park #2 Fund - To account for revenues and expenditures for the marketing and sales of lots in the Town's second industrial park.

Cafeteria Fund - To account for the Child Nutrition Program. Revenues consist of sales of food and grant subsidies for nutrition.

Small Cities - To account for federal grant revenues from the U.S. Department of Housing and Urban Development and subsequent loans to entities for various grant years.

Brownfields Pilot Program - To account for a grant from the U.S. E.P.A. and related expenditures to study and redevelop several potentially contaminated manufacturing sites.

City Sidewalks Fund - To account for revenues and expenditures relating to the maintenance of sidewalks.

Elderly Enrichment Part I Fund - To account for the revenues and expenditures relating to day services for developmentally disabled individuals.

Cemetery Association Trust Fund - To account for the revenues and expenditures relating to the maintenance of the Forest View Cemetery.

Soldiers Monument Restoration Fund - To account for the revenues and expenditures relating to the renovation of the monument structure at the soldiers monument park.

Anti-Blight Fund – To account for the revenues and expenditures relating to the clean-up of blighted properties inside the Town.

CHAMPS Fund – To account for activity of an after-school enrichment program.

Winchester School Trust Fund - To account for beneficiary funds received from the W. H. Batcheller Trust to provide scholarships on an annual basis to local youth who excel in the school system.

Winchester Bond Sinking Fund - To account for funds established for the retirement of debt. The fund balance must exceed \$75,000 before any funds can be utilized.

Forest View Cemetery Chapel Trust Fund - To account for the revenues and expenditures for the repairs and maintenance of the chapel located on the grounds of the Forest View Cemetery.

Student Activity Fund - This fund accounts for student programs with revenues raised by individual groups.

Beverly Pass Fund - This fund was established as a scholarship fund.

Grants & Donations Fund – To account for revenue and expenditures from estate bequeaths, citizen donations, and funds arising from organizations declaring a non-taxable status, as well as fee-based recreation programs.

Federal and State Education Fund – To account for revenue and expenditures from grants related to school and education programs.

Sewer Assessment Fund – To account for revenue and expenditures related to special sewer assessments.

Debt Service Funds

Debt Service Fund - This fund is used to account for funds set aside for debt related expenditures related to receiving large long-term debts.

Permanent Funds

Forest View Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Town's Forest View Cemetery and to purchase cemetery land.

Winchester Center Cemetery Fund - This fund was established to accumulate donations and other resources, the income on which is used for the operation and maintenance of the Winchester Center Cemetery and to purchase cemetery land.

Winchester Memorial Park Fund - This fund was established to provide funds to make repairs and improvements to the Town of Winchester parks.

Jane A Nisbet Fund - This fund was established to accumulate interest with the income used for the operation and maintenance of the Forest View Cemetery.

Town Park Fund - To account for funds contributed to the Town, the income on which is used for repairs and maintenance of the Town parks.

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Page 1 of 3

	SPECIAL REVENUE FUNDS								
	<u>Industrial Park #2 Fund</u>	<u>Cafeteria Fund</u>	<u>Small Cities</u>	<u>Brownfields Pilot Program</u>	<u>City Sidewalks Fund</u>	<u>Elderly Enrichment Part I Fund</u>	<u>Cemetery Association Trust Fund</u>	<u>Soldiers Monument Restoration Fund</u>	<u>Anti Blight Fund</u>
Assets									
Cash and Cash Equivalents	\$ 389,376	\$ 56,435	\$ 266,269	\$ 156,765	\$ 859	\$ 115,976	\$ 669	\$ 15,337	\$ -
Receivables, Net	-	106,257	1,030,530	-	-	51,164	-	-	-
Prepays	-	-	-	-	-	-	-	-	-
Inventory	-	5,271	-	-	-	-	-	-	-
Due from Other Funds	-	-	16,412	-	-	-	-	-	255,271
Total Assets	<u>\$ 389,376</u>	<u>\$ 167,963</u>	<u>\$ 1,313,211</u>	<u>\$ 156,765</u>	<u>\$ 859</u>	<u>\$ 167,140</u>	<u>\$ 669</u>	<u>\$ 15,337</u>	<u>\$ 255,271</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Accounts Payable and Accrued Items	\$ -	\$ 72,756	\$ -	\$ -	\$ -	\$ 149,506	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	25,939	-	-	-
Due to Other Governments	153,130	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>153,130</u>	<u>72,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources									
Unavailable Revenue:									
Sewer Assessment Charges	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	1,313,211	156,765	-	-	669	15,337	255,271
Committed	236,246	95,207	-	-	859	-	-	-	-
Unassigned	-	-	-	-	-	(8,305)	-	-	-
Total Fund Balances	<u>236,246</u>	<u>95,207</u>	<u>1,313,211</u>	<u>156,765</u>	<u>859</u>	<u>(8,305)</u>	<u>669</u>	<u>15,337</u>	<u>255,271</u>
Total Liabilities and Fund Balances	<u>\$ 389,376</u>	<u>\$ 167,963</u>	<u>\$ 1,313,211</u>	<u>\$ 156,765</u>	<u>\$ 859</u>	<u>\$ 167,140</u>	<u>\$ 669</u>	<u>\$ 15,337</u>	<u>\$ 255,271</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

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	SPECIAL REVENUE FUNDS								
	<u>Champs Fund</u>	<u>Winchester School Trust Fund</u>	<u>Winchester Bond Sinking Fund</u>	<u>Forest View Cemetery Chapel Trust Fund</u>	<u>Student Activity Fund</u>	<u>Beverly Pass Fund</u>	<u>Grants & Donations Fund</u>	<u>Federal and State Education Fund</u>	<u>Sewer Assessment Fund</u>
Assets									
Cash and Cash Equivalents	\$ -	\$ 97,560	\$ 18	\$ 630	\$ 11,603	\$ -	\$ 60,815	\$ -	\$ -
Receivables, Net	-	-	-	-	-	-	437,409	13,066	34,039
Prepays	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Due from Other Funds	68,286	-	-	-	-	-	-	416,332	-
Total Assets	<u>\$ 68,286</u>	<u>\$ 97,560</u>	<u>\$ 18</u>	<u>\$ 630</u>	<u>\$ 11,603</u>	<u>\$ -</u>	<u>\$ 498,224</u>	<u>\$ 429,398</u>	<u>\$ 34,039</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,458	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	136,644	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	24,792	429,398	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,894</u>	<u>429,398</u>	<u>-</u>
Deferred Inflows of Resources									
Unavailable Revenue:									
Sewer Assessment Charges	-	-	-	-	-	-	-	-	34,039
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	68,286	97,560	18	630	11,603	-	323,330	-	-
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>68,286</u>	<u>97,560</u>	<u>18</u>	<u>630</u>	<u>11,603</u>	<u>-</u>	<u>323,330</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 68,286</u>	<u>\$ 97,560</u>	<u>\$ 18</u>	<u>\$ 630</u>	<u>\$ 11,603</u>	<u>\$ -</u>	<u>\$ 498,224</u>	<u>\$ 429,398</u>	<u>\$ 34,039</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Page 3 of 3

	DEBT SERVICE FUND	PERMANENT FUNDS					
	<u>Debt Service Fund</u>	<u>Forest View Cemetery Fund</u>	<u>Winchester Center Cemetery Fund</u>	<u>Winchester Memorial Park Fund</u>	<u>Jane A Nisbet Fund</u>	<u>Town Park Fund</u>	<u>Total</u>
Assets							
Cash and Cash Equivalents	\$ -	\$ 144,534	\$ 39,926	\$ 14,471	\$ 7,784	\$ 100,097	\$ 1,479,124
Receivables, Net	-	-	-	-	-	-	1,672,465
Prepays	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	5,271
Due from Other Funds	1,254,392	-	-	-	-	-	2,010,693
Total Assets	<u>\$ 1,254,392</u>	<u>\$ 144,534</u>	<u>\$ 39,926</u>	<u>\$ 14,471</u>	<u>\$ 7,784</u>	<u>\$ 100,097</u>	<u>\$ 5,167,553</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 235,720
Due to Other Funds	-	-	-	-	-	-	162,583
Due to Other Governments	-	-	-	-	-	-	153,130
Unearned Revenue	-	-	-	-	-	-	454,190
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,005,623</u>
Deferred Inflows of Resources							
Unavailable Revenue:							
Sewer Assessment Charges	-	-	-	-	-	-	34,039
Fund Balances:							
Nonspendable	-	138,267	33,648	8,300	250	6,911	187,376
Restricted	-	6,267	6,278	6,171	7,534	93,186	2,362,116
Committed	1,254,392	-	-	-	-	-	1,586,704
Unassigned	-	-	-	-	-	-	(8,305)
Total Fund Balances	<u>1,254,392</u>	<u>144,534</u>	<u>39,926</u>	<u>14,471</u>	<u>7,784</u>	<u>100,097</u>	<u>4,127,891</u>
Total Liabilities and Fund Balances	<u>\$ 1,254,392</u>	<u>\$ 144,534</u>	<u>\$ 39,926</u>	<u>\$ 14,471</u>	<u>\$ 7,784</u>	<u>\$ 100,097</u>	<u>\$ 5,167,553</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Page 1 of 3

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS								
	Industrial Park #2 Fund	Cafeteria Fund	Small Cities	Brownfields Pilot Program	City Sidewalks Fund	Elderly Enrichment Part I Fund	Cemetery Association Trust Fund	Soldiers Monument Restoration Fund	Anti Blight Fund
Revenues									
Intergovernmental Revenues	\$ -	\$ 541,386	\$ -	\$ -	\$ -	\$ 534,562	\$ -	\$ -	\$ -
Interest and Dividends	3,509	-	2,287	1,307	-	-	-	112	-
Charges for Services	-	36,996	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	3,966	45,989
Total Revenues	<u>3,509</u>	<u>578,382</u>	<u>2,287</u>	<u>1,307</u>	<u>-</u>	<u>534,562</u>	<u>-</u>	<u>4,078</u>	<u>45,989</u>
Expenditures									
Current:									
General Government	-	-	-	1,000	-	-	-	-	105,154
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	553,741	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Education	-	581,717	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	16,406	-
Total Expenditures	<u>-</u>	<u>581,717</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>553,741</u>	<u>-</u>	<u>16,406</u>	<u>105,154</u>
Excess/(Deficiency) of Revenues Over Expenditures	3,509	(3,335)	2,287	307	-	(19,179)	-	(12,328)	(59,165)
Other Financing Sources/(Uses)									
Premium on Financing	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,509	(3,335)	2,287	307	-	(19,179)	-	(12,328)	(59,165)
Fund Balances at Beginning of Year	232,737	98,542	1,310,924	156,458	859	10,874	669	27,665	314,436
Fund Balances at End of Year	<u>\$ 236,246</u>	<u>\$ 95,207</u>	<u>\$ 1,313,211</u>	<u>\$ 156,765</u>	<u>\$ 859</u>	<u>\$ (8,305)</u>	<u>\$ 669</u>	<u>\$ 15,337</u>	<u>\$ 255,271</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Page 2 of 3

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS								
	Champs Fund	Winchester School Trust Fund	Winchester Bond Sinking Fund	Forest View Cemetery Chapel Trust Fund	Student Activity Fund	Beverly Pass Fund	Grants & Donations Fund	Federal and State Education Fund	Sewer Assessment Fund
Revenues									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,509	\$ 3,914,950	\$ -
Interest and Dividends	-	48	-	-	-	58	-	-	-
Charges for Services	38,562	-	-	-	1,960	-	383,919	-	23,087
Other Revenue	-	3,239	-	-	-	-	-	4,000	-
Total Revenues	38,562	3,287	-	-	1,960	58	585,428	3,918,950	23,087
Expenditures									
Current:									
General Government	-	-	-	-	-	-	18,739	-	-
Public Safety	-	-	-	-	-	-	325,825	-	-
Public Works	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	190,418	-	-
Education	51,801	1,125	-	-	1,630	8,748	-	3,918,950	-
Debt Service:					-				
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	51,801	1,125	-	-	1,630	8,748	534,982	3,918,950	-
Excess/(Deficiency) of Revenues									
Over Expenditures	(13,239)	2,162	-	-	330	(8,690)	50,446	-	23,087
Other Financing Sources/(Uses)									
Premium on Financing	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-	709,811
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	709,811
Net Change in Fund Balances	(13,239)	2,162	-	-	330	(8,690)	50,446	-	732,898
Fund Balances at Beginning of Year	81,525	95,398	18	630	11,273	8,690	272,884	-	(732,898)
Fund Balances at End of Year	\$ 68,286	\$ 97,560	\$ 18	\$ 630	\$ 11,603	\$ -	\$ 323,330	\$ -	\$ -

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

Page 3 of 3

	DEBT SERVICE FUND	PERMANENT FUNDS					
	<u>Debt Service Fund</u>	<u>Forest View Cemetery Fund</u>	<u>Winchester Center Cemetery Fund</u>	<u>Winchester Memorial Park Fund</u>	<u>Jane A Nisbet Fund</u>	<u>Town Park Fund</u>	<u>Total</u>
Revenues							
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,192,407
Interest and Dividends	-	1,302	316	78	-	312	9,329
Charges for Services	-	-	-	-	-	-	484,524
Other Revenue	-	-	-	-	-	-	57,194
Total Revenues	-	1,302	316	78	-	312	5,743,454
Expenditures							
Current:							
General Government	-	-	-	-	-	-	124,893
Public Safety	-	-	-	-	-	-	325,825
Public Works	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	553,741
Parks and Recreation	-	-	-	-	-	-	190,418
Education	-	-	-	-	-	-	4,563,971
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	16,406
Total Expenditures	-	-	-	-	-	-	5,775,254
Excess/(Deficiency) of Revenues Over Expenditures	-	1,302	316	78	-	312	(31,800)
Other Financing Sources/(Uses)							
Premium on Financing	785,973	-	-	-	-	-	785,973
Transfers In	468,419	-	-	-	-	-	1,178,230
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	1,254,392	-	-	-	-	-	1,964,203
Net Change in Fund Balances	1,254,392	1,302	316	78	-	312	1,932,403
Fund Balances at Beginning of Year	-	143,232	39,610	14,393	7,784	99,785	2,195,488
Fund Balances at End of Year	\$ 1,254,392	\$ 144,534	\$ 39,926	\$ 14,471	\$ 7,784	\$ 100,097	\$ 4,127,891

See accountant's report.

Supplemental Schedules

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2023

List of 10/1:	Outstanding July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Collectible Taxes	Collections During the Year			Outstanding June 30, 2023
			Additions	Deductions			Taxes	Interest and Liens	Total	
2021		\$ 25,573,526	\$ -	\$ -	\$ -	\$ 25,573,526	\$ 25,143,648	\$ 145,667	\$ 25,289,315	\$ 429,878
2020	\$ 360,918	-	48,560	15,897	-	393,581	276,860	61,421	338,281	116,721
2019	98,665	-	41,191	16,873	-	122,983	54,430	22,311	76,741	68,553
2018	77,318	-	-	753	-	76,565	11,166	6,176	17,342	65,399
2017	24,871	-	-	-	-	24,871	3,334	1,939	5,273	21,537
2016	17,864	-	-	-	-	17,864	3,895	3,500	7,395	13,969
2015	11,258	-	-	-	-	11,258	7,202	8,307	15,509	4,056
2014	6,703	-	-	-	-	6,703	6,156	6,376	12,532	547
2013	3,403	1	-	-	-	3,404	2,474	581	3,055	930
2012	598	-	10	-	-	608	-	24	24	608
2011	750	-	-	-	-	750	-	-	-	750
2010	774	-	-	-	-	774	-	-	-	774
2009	774	-	-	-	-	774	-	-	-	774
2008	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
	\$ 603,896	\$ 25,573,527	\$ 89,761	\$ 33,523	\$ -	\$ 26,233,661	25,509,165	256,302	25,765,467	\$ 724,496
Net Grand List - October 1, 2021						Total Suspense Collections	22,566	18,547	41,113	
Tax Rate: 33.54 mills and 32.46 mills						Total Collections	\$ 25,531,731	\$ 274,849	\$ 25,806,580	

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Water and Sewer Rents Levied, Collected, and Outstanding
For the Year Ended June 30, 2023

Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2022	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections Interest and Liens	Total	Water Rents Receivable June 30, 2023
					Rents		
2021	\$ 1,889,047	\$ (9,761)	\$ -	\$ 1,879,286	\$ 1,778,752	\$ 22,952	\$ 1,801,704
2020	101,415	5	-	101,420	93,813	21,805	115,618
2019	5,787	-	-	5,787	4,459	1,729	6,188
2018	2,753	-	-	2,753	983	564	1,547
2017	3,181	-	-	3,181	-	40	40
2016	2,428	-	-	2,428	-	119	119
2015	1,765	-	-	1,765	1,036	732	1,768
2014	973	(79)	-	894	168	144	312
2013	1,553	-	-	1,553	-	-	-
2012	316	-	-	316	-	24	24
2011	306	-	-	306	-	-	-
2010	148	-	-	148	-	-	-
	\$ 2,009,672	\$ (9,835)	\$ -	\$ 1,999,837	\$ 1,879,211	\$ 48,109	\$ 1,927,320
							\$ 120,626

Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2022	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections Interest and Liens	Total	Sewer Rents Receivable June 30, 2023
					Rents		
2021	\$ 1,975,662	\$ (831)	\$ -	\$ 1,974,831	\$ 1,876,569	\$ 23,554	\$ 1,900,123
2020	70,050	(117)	-	69,933	68,666	14,988	83,654
2019	4,088	-	-	4,088	2,745	1,081	3,826
2018	3,241	-	-	3,241	918	550	1,468
2017	2,712	(50)	-	2,662	-	17	17
2016	2,396	-	-	2,396	-	75	75
2015	1,779	-	-	1,779	440	419	859
2014	1,289	(50)	-	1,239	277	367	644
2013	1,705	-	-	1,705	-	24	24
2012	712	-	-	712	-	1	1
2011	598	-	-	598	-	-	-
2010	25	-	-	25	-	-	-
	\$ 2,064,257	\$ (1,048)	\$ -	\$ 2,063,209	\$ 1,949,615	\$ 41,076	\$ 1,990,691
							\$ 113,594

See accountant's report.

Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess economic conditions.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.)
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the annual comprehensive financial reports for the relevant year.

TOWN OF WINCHESTER, CONNECTICUT
Net Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net Investment in Capital Assets	\$ 38,706,670	\$ 38,445,171	\$ 38,586,005	\$ 39,174,225	\$ 40,271,477	\$ 42,121,720	\$ 44,417,410	\$ 47,648,554	\$ 54,339,358	\$ 63,942,346
Restricted	2,338,704	2,132,045	2,184,503	2,243,173	2,294,074	2,296,086	2,337,938	2,504,253	2,599,666	2,564,889
Unrestricted	<u>(5,878,735)</u>	<u>(5,515,045)</u>	<u>(4,450,938)</u>	<u>(2,520,690)</u>	<u>(1,977,467)</u>	<u>(320,747)</u>	<u>(441,937)</u>	<u>330,830</u>	<u>1,410,013</u>	<u>(397,887)</u>
Total Governmental Activities Net Position	<u>\$ 35,166,639</u>	<u>\$ 35,062,171</u>	<u>\$ 36,319,570</u>	<u>\$ 38,896,708</u>	<u>\$ 40,588,084</u>	<u>\$ 44,097,059</u>	<u>\$ 46,313,411</u>	<u>\$ 50,483,637</u>	<u>\$ 58,349,037</u>	<u>\$ 66,109,348</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 31,687,119	\$ 30,765,003	\$ 26,835,634	\$ 26,225,709	\$ 25,815,067	\$ 25,667,645	\$ 25,103,686	\$ 25,019,997	\$ 25,506,087	\$ 25,584,740
Unrestricted	<u>330,581</u>	<u>1,097,207</u>	<u>1,711,887</u>	<u>2,632,050</u>	<u>3,061,410</u>	<u>3,147,427</u>	<u>3,671,182</u>	<u>3,523,454</u>	<u>3,599,631</u>	<u>3,532,698</u>
Total Business-type Activities Net Position	<u>\$ 32,017,700</u>	<u>\$ 31,862,210</u>	<u>\$ 28,547,521</u>	<u>\$ 28,857,759</u>	<u>\$ 28,876,477</u>	<u>\$ 28,815,072</u>	<u>\$ 28,774,868</u>	<u>\$ 28,543,451</u>	<u>\$ 29,105,718</u>	<u>\$ 29,117,438</u>
Primary Government										
Net Investment in Capital Assets	\$ 70,393,789	\$ 69,210,174	\$ 65,421,639	\$ 65,399,934	\$ 66,086,544	\$ 67,789,365	\$ 69,521,096	\$ 72,668,551	\$ 79,845,445	\$ 89,527,086
Restricted	2,338,704	2,132,045	2,184,503	2,243,173	2,294,074	2,296,086	2,337,938	2,504,253	2,599,666	2,564,889
Unrestricted	<u>(5,548,154)</u>	<u>(4,417,838)</u>	<u>(2,739,051)</u>	<u>111,360</u>	<u>1,083,943</u>	<u>2,826,680</u>	<u>3,229,245</u>	<u>3,854,284</u>	<u>5,009,644</u>	<u>3,134,811</u>
Total Primary Government Net Position	<u>\$ 67,184,339</u>	<u>\$ 66,924,381</u>	<u>\$ 64,867,091</u>	<u>\$ 67,754,467</u>	<u>\$ 69,464,561</u>	<u>\$ 72,912,131</u>	<u>\$ 75,088,279</u>	<u>\$ 79,027,088</u>	<u>\$ 87,454,755</u>	<u>\$ 95,226,786</u>

TOWN OF WINCHESTER, CONNECTICUT

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

Table 2

Page 1 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Education	\$ 24,007,954	\$ 25,103,389	\$ 26,325,204	\$ 26,996,253	\$ 25,363,648	\$ 26,641,327	\$ 26,226,649	\$ 27,203,135	\$ 26,101,545	\$ 25,931,141
Public safety	3,558,537	3,045,908	3,684,860	3,969,616	4,228,958	4,512,892	5,186,461	5,791,474	4,966,600	5,314,279
Public works	3,067,995	3,111,181	3,096,519	2,592,077	3,019,953	2,800,234	3,206,158	2,920,338	3,739,445	4,104,417
General government	3,184,962	3,738,169	3,044,626	3,118,521	2,979,380	2,980,847	3,466,896	3,546,158	4,640,204	4,747,473
Health	575,514	649,113	1,164,840	468,627	454,403	469,359	615,805	620,927	813,080	805,182
Parks and recreation	210,019	224,911	263,445	269,537	274,774	308,839	411,335	380,722	448,910	577,985
Library	176,474	200,003	206,000	214,034	216,174	218,336	222,702	229,383	233,971	240,990
Waste disposal and recycling	222,812	196,247	198,356	225,040	200,940	202,949	202,950	202,950	209,038	215,188
Interest on long-term debt	222,581	166,124	146,895	131,350	121,162	105,504	83,212	62,670	42,049	221,393
Total Governmental Activities Expenses	35,226,848	36,435,045	38,130,745	37,985,055	36,859,392	38,240,287	39,622,168	40,957,757	41,194,842	42,158,048
Business-Type Activities										
Waterworks	1,522,972	1,624,816	1,575,518	1,581,381	1,703,776	1,666,615	1,753,902	1,941,434	1,970,973	1,724,085
Sewer	1,695,555	1,937,700	1,782,200	1,877,644	1,957,077	2,006,301	1,978,357	2,020,811	2,172,544	2,395,260
Total Business-Type Activities Expense:	3,218,527	3,562,516	3,357,718	3,459,025	3,660,853	3,672,916	3,732,259	3,962,245	4,143,517	4,119,345
Total Primary Government Expenses	\$ 38,445,375	\$ 39,997,561	\$ 41,488,463	\$ 41,444,080	\$ 40,520,245	\$ 41,913,203	\$ 43,354,427	\$ 44,920,002	\$ 45,338,359	\$ 46,277,393
Program Revenues										
Governmental Activities:										
Charges for Services:										
Education	\$ 102,112	\$ 170,174	\$ 131,074	\$ 124,270	\$ 147,085	\$ 105,378	\$ 68,235	\$ 25,026	\$ 54,915	\$ 77,518
Public safety	84,557	61,615	64,812	76,747	73,147	70,599	66,042	76,131	117,990	453,973
Public works	381,676	222,998	245,626	250,008	250,008	250,000	260,000	260,000	270,000	270,000
Health	77,678	75,893	66,807	73,513	47,974	64,487	59,436	76,989	50,975	64,742
General government	286,497	305,526	358,225	376,722	348,504	558,891	384,894	720,627	674,776	512,699
Parks and recreation	10,500	10,500	15,000	15,000	20,000	20,000	95,992	125,023	155,464	20,000
Operating Grants and Contributions	13,081,110	13,340,706	14,465,116	15,412,406	13,813,593	15,275,512	14,733,522	15,806,665	13,831,558	15,562,568
Capital Grants and Contributions	650,810	45,448	426,070	469,124	175,276	328,952	1,166,882	2,672,166	8,604,203	5,031,562
Total Governmental Activities										
Program Revenues	14,674,940	14,232,860	15,772,730	16,797,790	14,875,587	16,673,819	16,835,003	19,762,627	23,759,881	21,993,062
Business-type Activities:										
Waterworks:										
Charges for Services	1,937,052	1,806,242	1,790,896	1,959,915	1,903,593	1,864,514	1,897,956	1,978,809	1,900,948	1,936,883
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Sewer:										
Charges for Services	1,662,134	1,522,131	1,498,439	1,743,060	1,712,018	1,667,203	1,721,200	1,749,176	1,779,226	2,167,629
Capital Grants and Contributions	1,317	-	-	-	-	-	-	-	-	-
Total Business-type Activities										
Program Revenues	3,600,503	3,328,373	3,289,335	3,702,975	3,615,611	3,531,717	3,619,156	3,727,985	3,680,174	4,104,512
Total Primary Government Program Revenues	\$ 18,275,443	\$ 17,561,233	\$ 19,062,065	\$ 20,500,765	\$ 18,491,198	\$ 20,205,536	\$ 20,454,159	\$ 23,490,612	\$ 27,440,055	\$ 26,097,574
	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)

TOWN OF WINCHESTER, CONNECTICUT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

Page 2 of 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Revenues (Expenses):										
Governmental Activities	\$ (20,551,908)	\$ (22,202,185)	\$ (22,358,015)	\$ (21,187,265)	\$ (21,983,805)	\$ (21,566,468)	\$ (22,787,165)	\$ (21,195,130)	\$ (17,434,961)	\$ (20,164,986)
Business-type Activities	381,976	(234,143)	(68,383)	243,950	(45,242)	(141,199)	(113,103)	(234,260)	(463,343)	(14,833)
Total Primary Government Net Expense	\$ (20,169,932)	\$ (22,436,328)	\$ (22,426,398)	\$ (20,943,315)	\$ (22,029,047)	\$ (21,707,667)	\$ (22,900,268)	\$ (21,429,390)	\$ (17,898,304)	\$ (20,179,819)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 23,977,690	\$ 22,563,841	\$ 22,693,437	\$ 23,220,525	\$ 23,671,362	\$ 24,221,642	\$ 24,228,706	\$ 24,683,726	\$ 25,468,796	\$ 26,397,711
Grants and Contributions Not Restricted to Specific Programs	322,157	334,480	275,647	475,567	1,438,792	578,580	580,970	592,243	697,502	1,010,515
Unrestricted Investment Earnings	84	240	227	41,920	109,476	240,749	193,301	19,897	37,193	381,110
Contributions to Permanent Fund Principal	3,369	2,877	2,550	2,550	2,792	2,757	-	-	-	-
Miscellaneous	1,239,163	424,294	126,873	90,129	62,573	90,673	58,060	69,753	109,370	137,959
Transfers	(110,480)	(78,653)	(68,514)	(66,288)	(63,960)	(58,958)	(57,520)	(263)	(1,023,079)	(1,998)
Total Governmental Activities	25,431,983	23,247,079	23,030,220	23,764,403	25,221,035	25,075,443	25,003,517	25,365,356	25,289,782	27,925,297
Business-type Activities:										
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-	-	-	-	-	13,806
Unrestricted Investment Earnings	-	-	-	-	-	20,836	15,379	2,580	2,531	10,749
Transfers	110,480	78,653	68,514	66,288	63,960	58,958	57,520	263	1,023,079	1,998
Total Business-type Activities	110,480	78,653	68,514	66,288	63,960	79,794	72,899	2,843	1,025,610	26,553
Total Primary Government	\$ 25,542,463	\$ 23,325,732	\$ 23,098,734	\$ 23,830,691	\$ 25,284,995	\$ 25,155,237	\$ 25,076,416	\$ 25,368,199	\$ 26,315,392	\$ 27,951,850
Loss on Assets:										
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental Activities	\$ 4,880,075	\$ 1,044,894	\$ 672,205	\$ 2,577,138	\$ 3,237,230	\$ 3,508,975	\$ 2,216,352	\$ 4,170,226	\$ 7,854,821	\$ 7,760,311
Business-type Activities	492,456	(155,490)	131	310,238	18,718	(61,405)	(40,204)	(231,417)	562,267	11,720
Total Primary Government	\$ 5,372,531	\$ 889,404	\$ 672,336	\$ 2,887,376	\$ 3,255,948	\$ 3,447,570	\$ 2,176,148	\$ 3,938,809	\$ 8,417,088	\$ 7,772,031

TOWN OF WINCHESTER, CONNECTICUT
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	450,000	1,085,000	1,373,037	1,032,933	1,812,446	2,458,054	1,376,438	1,458,876
Assigned	-	-	-	-	-	109,461	124,697	744,892	283,387	9,893
Unassigned	<u>3,526,109</u>	<u>5,163,031</u>	<u>5,724,511</u>	<u>6,246,790</u>	<u>6,788,756</u>	<u>6,964,634</u>	<u>7,184,823</u>	<u>7,320,824</u>	<u>7,890,117</u>	<u>8,912,178</u>
Total General Fund	<u>\$ 3,526,109</u>	<u>\$ 5,163,031</u>	<u>\$ 6,174,511</u>	<u>\$ 7,331,790</u>	<u>\$ 8,161,793</u>	<u>\$ 8,107,028</u>	<u>\$ 9,121,966</u>	<u>\$ 10,523,770</u>	<u>\$ 9,549,942</u>	<u>\$ 10,380,947</u>
All Other Governmental Funds										
Nonspendable	\$ 2,098,898	\$ 1,763,036	\$ 1,505,939	\$ 1,489,209	\$ 1,451,413	\$ 187,376	\$ 187,376	\$ 187,376	\$ 187,376	\$ 187,376
Restricted	241,494	379,883	680,158	756,686	844,189	2,108,710	2,150,562	2,316,877	2,412,290	2,377,513
Committed	948,908	696,739	1,149,002	1,259,536	1,523,971	2,666,324	1,927,217	5,724,916	4,276,713	10,332,738
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>(716,106)</u>	<u>(703,609)</u>	<u>(682,491)</u>	<u>(669,933)</u>	<u>(679,399)</u>	<u>(682,286)</u>	<u>(706,786)</u>	<u>(706,078)</u>	<u>(1,223,638)</u>	<u>(901,963)</u>
Total All Other Governmental Funds	<u>\$ 2,573,194</u>	<u>\$ 2,136,049</u>	<u>\$ 2,652,608</u>	<u>\$ 2,835,498</u>	<u>\$ 3,140,174</u>	<u>\$ 4,280,124</u>	<u>\$ 3,558,369</u>	<u>\$ 7,523,091</u>	<u>\$ 5,652,741</u>	<u>\$ 11,995,664</u>

TOWN OF WINCHESTER, CONNECTICUT
Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property Taxes, Interest and Lien Fees	\$ 23,758,932	\$ 22,479,091	\$ 22,967,681	\$ 23,531,260	\$ 23,659,495	\$ 24,088,716	\$ 24,245,991	\$ 24,690,409	\$ 25,258,971	\$ 26,423,983
Intergovernmental Revenue	13,940,209	13,758,449	15,046,049	15,493,882	13,539,810	14,777,820	15,488,356	17,134,243	23,306,899	21,240,094
Other local revenues	2,418,090	1,522,283	1,282,047	1,362,573	1,381,296	1,600,970	1,529,675	1,505,918	1,788,252	1,930,333
Total Revenues	40,117,231	37,759,823	39,295,777	40,387,715	38,580,601	40,467,506	41,264,022	43,330,570	50,354,122	49,594,410
Expenditures										
Current:										
Education	\$ 23,846,496	\$ 24,901,947	\$ 25,842,814	\$ 25,758,001	\$ 24,459,606	\$ 25,389,041	\$ 25,034,836	\$ 24,790,539	\$ 25,355,117	26,584,744
Program and Project Expenses	810,473	505,184	566,682	571,682	456,585	614,660	403,834	416,376	467,343	494,794
Public Safety	3,392,423	3,205,229	3,432,816	3,637,606	3,848,234	3,983,962	4,189,045	5,265,862	4,737,697	5,576,687
Public Works	1,725,019	1,712,751	1,947,597	1,903,058	2,028,108	1,977,215	2,109,140	2,211,331	2,357,718	7,478,614
Miscellaneous	402,436	504,794	433,930	877,666	609,604	536,341	737,208	649,155	838,921	837,585
General Government	2,870,365	2,981,403	3,034,766	3,464,873	3,098,815	2,884,839	3,145,359	3,292,995	3,550,502	4,063,904
Health	565,181	542,775	570,928	578,965	582,969	598,426	601,907	639,535	840,066	703,253
Parks and Recreation	186,958	196,636	253,191	253,516	248,833	280,836	387,656	371,084	426,334	527,172
Library	176,474	200,003	206,000	214,034	216,174	218,336	222,702	229,383	233,971	240,990
Waste Disposal and Recycling	222,812	196,247	198,356	225,040	200,940	202,949	202,950	202,950	209,038	215,188
Debt Service:										
Principal	526,582	535,768	558,253	552,016	569,651	573,831	545,358	549,017	403,116	5,463,343
Interest & Issuance Costs	222,622	166,124	166,269	131,350	121,162	122,388	83,212	62,669	58,933	133,844
Other	-	-	-	-	-	-	-	-	-	81,581
Capital Outlay	952,001	788,956	487,622	1,164,640	1,073,581	2,049,912	3,250,112	5,097,012	14,181,496	5,121,226
Total Expenditures	35,899,842	36,437,817	37,699,224	39,332,447	37,514,262	39,432,736	40,913,319	43,777,908	53,660,252	57,522,925
Excess (Deficiency) of Revenues Over Expenditures	4,217,389	1,322,006	1,596,553	1,055,268	1,066,339	1,034,770	350,703	(447,338)	(3,306,130)	(7,928,515)
Other Financing Sources (Uses)										
Issuance of Loans	-	-	-	-	-	-	-	-	-	1,092,528
Issuance of Bonds & GANS	2,000,000	-	-	-	-	-	-	-	-	11,500,000
Issuance of Note	-	-	-	-	-	-	-	5,000,000	-	247,768
Issuance of Capital Lease	-	-	-	351,189	132,300	109,373	-	-	-	-
Issuance of SBITA	-	-	-	-	-	-	-	-	-	228,570
Issuance of Leases	-	-	-	-	-	-	-	-	-	92,105
Premium on Financing	-	-	-	-	-	-	-	-	-	785,973
Repayment of GANS	(2,000,000)	-	-	-	-	-	-	-	-	-
Transfers In	877,354	771,991	716,095	751,005	1,255,941	2,989,212	1,495,065	2,431,419	4,100,635	3,857,264
Transfers Out	(987,834)	(850,644)	(784,609)	(817,293)	(1,319,901)	(3,048,170)	(1,552,585)	(1,617,555)	(3,649,262)	(2,701,765)
Total Other Financing Sources (Uses)	(110,480)	(78,653)	(68,514)	284,901	68,340	50,415	(57,520)	5,813,864	451,373	15,102,443
Loss on Assets	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	4,106,909	1,243,353	1,528,039	1,340,169	1,134,679	1,085,185	293,183	5,366,526	(2,854,757)	7,173,928
Fund Balance at Beginning of Year	1,992,394	6,055,727	7,299,080	8,827,119	10,167,288	11,301,967	12,387,152	12,680,335	18,057,440	15,202,683
Fund Balance at End of Year	\$ 6,099,303	\$ 7,299,080	\$ 8,827,119	\$ 10,167,288	\$ 11,301,967	\$ 12,387,152	\$ 12,680,335	\$ 18,046,861	\$ 15,202,683	\$ 22,376,611
Debt Service as a Percentage to Noncapital Expenditures	2.14%	1.97%	1.95%	1.79%	1.90%	1.86%	1.67%	1.58%	1.17%	10.68%

Note: A \$658,758 prior period adjustment was recorded and the 2014 beginning fund balance was restated for the implementation of GASB 67.

Note: A \$43,576 prior period adjustment was recorded and the 2015 beginning fund balance was restated to correct individual fund balances.

Note: A \$10,579 prior period adjustment was recorded and the 2022 beginning fund balance was restated for the implementation of GASB 84.

TOWN OF WINCHESTER, CONNECTICUT
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Table 5

Fiscal Year	Grand List Year (Oct 1)	Real Property		Personal Property		Total Taxable Assessed Value	Tax Exempt Property	Total Net Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Residential Property	Commercial Property	Motor Vehicles	Other						
2014	2012	493,826	102,499	66,208	49,056	711,589	22,457	689,132	31.20	984,474	70%
2015	2013	494,082	101,804	67,187	50,791	713,864	22,917	690,947	31.91	987,067	70%
2016	2014	494,813	101,609	69,257	50,905	716,584	23,958	692,626	32.70	989,466	70%
2017	2015	495,159	102,081	69,359	52,692	719,291	25,499	693,792	33.54	991,131	70%
2018	2016	495,688	102,179	70,968	59,512	728,347	15,590	712,757	33.54	1,018,224	70%
2019	2017	510,574	104,491	73,641	61,675	750,381	36,135	714,246	33.54	1,020,351	70%
2020	2018	511,554	105,211	74,519	66,268	757,552	36,842	720,710	33.54	1,029,586	70%
2021	2019	513,798	104,180	75,558	71,028	764,564	35,849	728,715	33.54	1,041,021	70%
2022	2020	514,110	106,216	80,974	73,711	775,011	37,722	737,289	33.54	1,053,270	70%
2023	2021	517,422	107,315	102,701	86,040	813,478	32,959	780,519	33.54	1,115,027	70%

Source: Assessor's Office - Town of Winchester, Connecticut

Note: By State law, property is assessed at 70% of actual value with periodic revaluation of real property. The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

TOWN OF WINCHESTER, CONNECTICUT

Principal Property Taxpayers
Current Year and Nine Years Ago

Table 6

	2023				2014		
	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List		Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Connecticut Light and Power Co.	\$ 16,082,620	1	2.18%	Connecticut Light and Power Co.	\$ 12,024,101	1	1.75%
Yankee Gas	11,631,160	2	1.58%	Winrock LLC	9,477,370	2	1.38%
Winrock LLC	10,931,830	3	1.48%	Howmet Casting and Services	8,321,543	3	1.21%
Centurion Holdings 1 Inc	6,624,660	4	0.90%	Yankee Gas	5,810,596	4	0.84%
Impetus Properties, LLC	5,653,275	5	0.77%	Litchfield Gardens Association	3,310,020	5	0.48%
Litchfield Gardens Assoc	4,551,540	6	0.62%	BNB Manufacturing	3,015,731	6	0.44%
Litchfield Heights Apts LLC	3,338,010	7	0.45%	Litchfield Heights Apartments	1,921,850	7	0.28%
Rosen TIC LLC	2,963,660	8	0.40%	SKF USA Inc	1,823,546	8	0.26%
Camp Wahnee Assoc Inc	2,458,120	9	0.33%	Adam L & Deannie K Reeder	1,773,980	9	0.26%
Electric Motion Company	2,358,720	10	0.32%	Barden Corporation *	1,766,205	10	0.26%
	<u>\$ 66,593,595</u>		<u>9.03%</u>		<u>\$ 49,244,942</u>		<u>7.16%</u>

Source: Town Assessor's office

TOWN OF WINCHESTER, CONNECTICUT
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 7

Fiscal Year	Tax Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	23,715,401	23,020,269	97.07%	487,961	23,508,230	99.13%
2015	22,202,107	21,409,286	96.43%	529,046	21,938,332	98.81%
2016	22,816,003	22,223,820	97.40%	371,176	22,594,996	99.03%
2017	23,307,366	22,902,097	98.26%	298,005	23,200,102	99.54%
2018	23,943,044	23,190,371	96.86%	239,179	23,429,550	97.86%
2019	24,141,257	23,614,748	97.82%	246,272	23,861,020	98.84%
2020	24,313,385	23,798,621	97.88%	334,632	24,133,253	99.26%
2021	24,621,694	24,155,116	98.11%	357,736	24,512,852	99.56%
2022	25,648,744	24,642,843	96.08%	276,861	24,919,704	97.16%
2023	25,592,211	25,143,648	98.25%	-	25,143,648	98.25%

Source: Town Assessor's office and Finance office

TOWN OF WINCHESTER, CONNECTICUT
Ratios of Net General Bonded Debt to
Assessed Value and Net General Bonded Debt per Capita
Last Ten Fiscal Years

Table 8

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Total Debt per Capita
	General Obligation Bonds	Notes	Equipment Financing Note	Right of Use Lease	SBITA	Capital Leases	General Obligation Bonds	Notes				
2014	4,196,000	166,000	-	-	-	43,047	2,520,000	429,236	\$ 7,354,283	2.26%	0.75%	\$ 657
2015	3,776,000	83,000	-	-	-	43,779	2,095,000	398,932	\$ 6,396,711	1.98%	0.65%	\$ 581
2016	3,356,000	-	-	-	-	113,894	1,685,000	368,017	\$ 5,522,911	1.61%	0.56%	\$ 505
2017	2,936,000	-	-	-	-	333,067	1,275,000	336,477	\$ 4,880,544	1.45%	0.49%	\$ 451
2018	2,516,000	-	-	-	-	315,716	865,000	304,301	\$ 4,001,017	1.21%	0.39%	\$ 372
2019	2,096,000	-	-	-	-	254,374	460,000	271,475	\$ 3,081,849	0.89%	0.30%	\$ 287
2020	1,676,000	-	-	-	-	129,016	305,000	237,987	\$ 2,348,003	0.66%	0.23%	\$ 220
2021	1,256,000	5,000,000	-	-	-	-	150,000	203,823	\$ 6,609,823	1.83%	0.63%	\$ 646
2022	836,000	5,000,000	-	-	-	-	-	168,969	\$ 6,004,969	1.61%	0.57%	\$ 587
2023	11,916,000	-	204,424	50,464	163,122	-	-	1,225,940	\$ 13,559,950	0.00%	1.22%	\$ 1,324

Info not available as of 6/26/24

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

¹ See Table 5 for taxable property value data

² See Table 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Debt Limitation
June 30, 2023

Table 9

Total Tax Collection, Including Interest and Lien Fees for Prior Fiscal Year	\$ 25,296,407
Reimbursement for Revenue Loss on: Tax Relief for Elderly and Disabled (Prior Year)	1,167
Base	<u>\$ 25,297,574</u>

	General Purposes (2.25 x base)	Schools (4.50 x base)	Sewers (3.75 x base)	Urban Renewal (3.25 x base)	Pension Deficit (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 56,919,542</u>	<u>\$ 113,839,083</u>	<u>\$ 94,865,903</u>	<u>\$ 82,217,116</u>	<u>\$ 75,892,722</u>
Indebtedness:					
Bonds Payable	7,816,000	4,100,000	-	-	-
Clean Water Fund Loans	-	-	168,969	-	-
Authorized but Unissued Debt	17,300,000	12,109,925	-	-	-
Total Indebtedness	<u>25,116,000</u>	<u>16,209,925</u>	<u>168,969</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 31,803,542</u>	<u>\$ 97,629,158</u>	<u>\$ 94,696,934</u>	<u>\$ 82,217,116</u>	<u>\$ 75,892,722</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$177,083,018

**Per Connecticut General Statutes 7-734 - Bonded indebtedness of municipalities - the aggregate indebtedness of the Town shall exclude each bond, note and other evidence of indebtedness issued for the supply of water. As such, the Town has excluded outstanding debt in the amount of \$1,092,528 and has \$7,407,472 in authorized but unissued debt for the drinking water project.

TOWN OF WINCHESTER, CONNECTICUT
Legal Debt Margin Information
Last Ten Fiscal Years

Table 10

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limitation	\$ 147,628,894	\$ 166,749,107	\$ 155,653,344	\$ 155,653,344	\$ 163,021,481	\$ 165,503,429	\$ 166,284,419	\$ 168,628,292	\$ 169,728,720	\$ 172,158,210	\$ 177,083,018
Total net debt applicable to limit	<u>\$ 8,174,940</u>	<u>\$ 7,145,236</u>	<u>\$ 6,269,932</u>	<u>\$ 5,409,017</u>	<u>\$ 4,547,477</u>	<u>\$ 3,685,301</u>	<u>\$ 2,827,475</u>	<u>\$ 19,328,912</u>	<u>\$ 18,719,748</u>	<u>\$ 42,814,894</u>	<u>\$ 41,494,894</u>
Legal debt margin	<u>\$ 139,453,954</u>	<u>\$ 159,603,871</u>	<u>\$ 149,383,412</u>	<u>\$ 150,244,327</u>	<u>\$ 158,474,004</u>	<u>\$ 161,818,128</u>	<u>\$ 163,456,944</u>	<u>\$ 149,299,380</u>	<u>\$ 151,008,972</u>	<u>\$ 129,343,316</u>	<u>\$ 135,588,124</u>
Total net debt applicable to the limit as a percentage of debt limit	5.54%	4.29%	4.03%	3.48%	2.79%	2.23%	1.70%	11.46%	11.03%	11.03%	23.43%

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 base. The calculation of the 2023 debt limit can be found on Table 9 of this Report.

TOWN OF WINCHESTER, CONNECTICUT

Table 11

Debt Statement

For the Year Ended June 30, 2023

Direct Debt

General Obligation Bonds	\$ 17,816,000
Notes and Loans Payable	<u>1,225,940</u>

Total Direct Debt	19,041,940
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Total Net Direct Debt (a)	11,916,000
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Overlapping Debt

	<u>-</u>
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Total Net Overall Debt	<u>\$ 11,916,000</u>
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(a) - Excludes leases and self-supporting water and sewer debt

TOWN OF WINCHESTER, CONNECTICUT

Table 12

Current Debt Ratios

June 30, 2023

1 Population	10,655
Net Taxable Grand List (10/1/21) (70%)	\$ 780,519,000
Estimated Full Value	\$ 1,115,027,143
2 Equalized Net Taxable Grand List (2021)	\$ 1,506,098,935
2 Per Capita Income	\$ 37,469

	Total <u>Direct Debt</u>	Total Net <u>Direct Debt</u>	Total Net <u>Overall Debt</u>
Per Capita	\$ 19,041,940	\$ 11,916,000	\$ 11,916,000
	\$ 1,787.14	\$ 1,118.35	\$ 1,118.35
Ratio to Net Taxable Grand List	2.44%	1.53%	1.53%
Ratio to Estimated Full Value	1.71%	1.07%	1.07%
Ratio to Equalized Net Taxable Grand List	1.26%	0.79%	0.79%
Debt per Capita to Money Income per Capita	4.77%	2.98%	2.98%

1 US Department of Commerce, Bureau of Census. (2020)

2 State of Connecticut Municipal Fiscal Indicators, Office of Policy and Management 2015-2019

TOWN OF WINCHESTER, CONNECTICUTDemographic and Economic Statistics
Last Ten Fiscal Years

Table 13

Fiscal Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	Median Age (3)	Education Level in Years of Schooling(4)	School Enrollment (5)	Unemployment Rate (6)
2014	11,189	324,973	29,044	44	12+	637	6.0
2015	11,013	323,584	29,382	44	12+	584	5.4
2016	10,929	343,990	31,475	47	12+	545	5.6
2017	10,829	336,240	31,050	47	12+	565	5.9
2018	10,754	329,535	30,643	47	12+	554	3.9
2019	10,739	347,546	32,363	48	12+	535	3.8
2020	10,655	357,582	33,560	48	12+	559	9.3
2021	10,224	361,132	35,322	48	12+	536	8.2
2022	10,217	373,350	36,542	47	12+	594	4.0
2023	10,240	-		47	12+	615	3.7

INFO NOT AVAILABLE YET as of 6/26/24

(1) U.S. Census Bureau

(2) U.S. Department of Commerce, State of Connecticut

(3) U.S. Census Bureau, Department of Health and Human Services

(4) Town of Winchester, Board of Education.

(5) Town of Winchester, Board of Education. Enrollment includes grades K-6

(6) State of Connecticut, Department of Labor

TOWN OF WINCHESTER, CONNECTICUT

Table 14

Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Winchester	258	1	4.45%	201	1	3.46%
NW CT Community College	205	2	3.53%	100	4	1.72%
Howmet Corporation	175	3	3.02%	185	2	3.18%
Electric Motion	120	4	2.07%	127	3	2.19%
Foothills Visiting Nurse/Home Care	96	5	1.66%	65	5	1.14%
Hartford Healthcare - Winsted	90	6	1.55%			
Sterling Sintered Technologies	50	7	0.86%	49	8	0.84%
DRT Power Systems	47	8	0.81%	40	10	0.69%
Northwest Community Bank	46	9	0.79%	46	9	0.79%
SKF/MRC Plain Bearings	31	10	0.53%			
ICS				55	6	0.95%
Barden Corporation				50	7	0.86%

Source: Assessor's Office - Town of Winchester, Connecticut

TOWN OF WINCHESTER, CONNECTICUT
Full-Time Equivalent Government Employees By Function/Program
Last Ten Fiscal Years

Table 15

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>General Government</u>										
Management Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	9.0	9.0	7.0	5.5	5.5	6.0	6.0	6.0	6.0	4.0
Planning	-	-	-	-	-	1.0	1.0	1.0	1.0	-
Building	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	7.0	8.0	7.0	6.0	6.0	7.0	8.0	8.0	8.0	9.0
<u>Public Safety</u>										
Officers	19.0	22.0	22.0	23.0	23.0	23.0	20.0	18.0	18.0	16.0
Civilians	1.0	1.0	2.0	4.0	4.0	5.0	5.0	4.0	3.0	4.0
<u>Public Works</u>	16.0	16.0	16.0	15.0	15.0	12.0	11.0	9.0	10.0	9.0
<u>Parks and Recreation</u>	2.0	2.0	2.0	2.0	2.0	2.0	-	1.0	-	-
<u>Water and Sewer Authority</u>	12.0	13.0	13.0	13.0	13.0	11.0	11.0	10.0	10.0	10.0
<u>Human Services</u>	5.0	5.0	3.0	2.0	2.0	2.0	-	-	-	-
<u>Town Properties</u>	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Board of Education</u>										
Certified	75.5	72.0	73.0	72.0	72.0	71.0	72.0	71.0	66.0	73.0
noncertified	81.0	75.0	87.0	92.0	92.0	64.0	85.0	73.0	85.0	70.0
Total	<u>235.5</u>	<u>230.0</u>	<u>238.0</u>	<u>240.5</u>	<u>240.5</u>	<u>210.0</u>	<u>225.0</u>	<u>207.0</u>	<u>213.0</u>	<u>201.0</u>

Sources: Various Town departments

Notes: a full-time employee is scheduled to work a minimum 1,820 hours per year
(including vacation and sick leave).

TOWN OF WINCHESTER, CONNECTICUT
Operating Indicators By Function/Program
Last Ten Fiscal Years

Table 16

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Workers Compensation										
Claims Processed	12	17	26	20	14	36	20	22	24	24
General Liability										
Claims Processed	2	12	2	6	19	6	14	6	30	27
Marriage Licenses Recorded	77	79	77	28	70	178	102	61	105	109
Birth Certificates Recorded	81	75	81	99	67	76	99	89	73	105
Death Certificates Recorded	116	125	131	106	97	117	106	125	121	125
Boards and Agencies										
Registered Voters	6,620	6,544	6,512	6,027	5,919	5,737	6,125	5,566	6,660	6,916
Elections and Referendums	5	2	2	1	4	2	5	4	4	4
Planning and Development										
Building Permits Issued	745	642	700	648	669	579	595	696	626	585
Rental Certificate of										
Occupancy Issued	43	23	46	121	190	48	78	40	67	28
Value of Building Permits	9,402,389	9,389,240	22,740	10,904,103	12,193,554	8,401,800	9,881,654	9,240,598	7,402,728	6,728,828
Public Safety										
Arrests	315	395	645	147	1,396	375	422	393	655	394
Parking Violations	141	186	134	232	186	321	199	198	499	96
Traffic Accidents	314	325	303	285	327	393	323	353	816	408
Traffic Stops	580	718	654	1,061	1,401	1,259	739	772	1,320	1,149
Police Calls	8,932	9,234	9,147	9,760	9,169	9,318	8,661	8,260	8,816	9,310
Animal Control Calls	368	368	294	212	350	217	160	362	624	204
Fire Dispatched	262	621	288	196	69	114	152	279	718	188
Ambulance Requests	1,493	2,160	1,266	237	1,044	954	897	1,142	1,284	1,245
Public Works										
Miles of Roads Maintained	81	81	81	81	81	81	81	81	81	81
Parks and Recreation										
Community Event Participants	650	640	360	620	745	702	655	506	452	325
Recreation Program Participants	1,300	804	485	740	855	865	844	740	627	1,550
Annual Participants	1,950	1,444	845	1,360	1,600	1,567	1,499	1,246	1,079	875

TOWN OF WINCHESTER, CONNECTICUT
Operating Indicators By Function/Program
Last Ten Fiscal Years

Table 16

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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Libraries										
Volumes in Collection	n/a	32,351	31,677	32,069	33,552	34,291	34,240	36,361	40,627	43,058
Collection Size	35,382	33,772	34,677	34,178	36,731	37,575	38,970	40,369	45,157	47,258
Senior Citizens										
Meals on Wheels										
Provided - Annually	20,480	20,894	22,620	21,796	29,966	34,100	32,570	35,170	36,108	35,793
Meals at Senior Center										
Provided - Annually	6,748	7,156	6,244	4,519	5,788	5,676	5,632	6,274	6,897	8,171
Van Rides Provided to										
Seniors - Annually	2,904	3,048	2,417	3,166	4,182	2,666	5,632	5,385	4,670	4,482
Senior Mini-Bus Trips -										
number of senior annually	146	-	-	88	90	115	378	179	206	143
NW Transit Rides										
for Winsted Residents	18,847	16,044	6,800	7,017	7,164	16,951	11,353			
Education										
Workers Compensation										
Claims Processed	23	13	8	11	34	32	48	51	16	25
Elementary Schools	12	14	8	1	1	1	1	2	2	2
Middle Schools	n/a	n/a	n/a	1	1	1	1	1	1	1
High Schools	n/a	n/a	n/a	1	1	1	1	1	1	1
Water										
New Connections	5	-	1	2	2	2	1	1	-	-
Water Main Breaks	1	3	3	4	4	6	4	3	-	1
Average Daily Consumption	1	0.91	0.88	0.79	0.90	1.03	0.94	0.99	0.93	0.93
(millions of gallons)										
Peak Daily Consumption	1	1.72	1.29	1.09	1.49	1.34	1.29	1.29	1.32	1.32
(millions of gallons)										
Sewer										
Average Daily Sewage	1.49	1.69	1.35	1.35	1.81	1.44	1.26	1.23	1.37	1.49
Treatment (mil. of gallons)										

Source(s): Various Town Departments

n/a - information not available

TOWN OF WINCHESTER, CONNECTICUT
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

Table 17

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Public Safety</u>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Zone Offices	1	1	1	1	1	1	1	1	1	1
Police Vehicles	18	17	16	16	16	12	11	11	12	12
Fire Vehicles	11	11	11	11	11	12	12	12	9	9
<u>Public Works</u>										
Miles of Town Roads	81	81	81	81	81	81	81	81	81	81
Traffic Signals	13	13	13	13	13	13	13	13	13	13
Public Works Vehicles and Equipment	67	67	67	65	60	55	54	54	54	54
<u>Parks and Recreation</u>										
Acreage	30	30	30	30	30	30	30	30	30	30
Parks and Greens	4	4	4	4	4	4	4	4	4	4
Athletic Fields	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Senior Citizens</u>										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Mini-Buses		2	2	2	2	2	2	2	2	2
<u>Education</u>										
Schools	4	4	4	4	4	4	4	4	4	4
<u>Water</u>										
Water Mains (miles)	40	40	40	40	40	40	40	40	40	40
Fire Hydrants	350	350	350	350	350	350	350	350	350	350
Storage Capacity (millions of gallons)	1	1	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<u>Sewer</u>										
Sanitary Sewers (miles)	40	40	40	40	40	40	40	40	40	40
Treatment Capacity (millions of gallons)	3	3	3	3	3	3	3	3	3	3

Sources: Various Town Departments