

TOWN OF WINCHESTER CONNECTICUT



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**TOWN OF WINCHESTER
CONNECTICUT**

Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2024

Prepared By
Winchester Finance Department
Winsted, Connecticut 06098

TOWN OF WINCHESTER, CONNECTICUT

Table of Contents For the Year Ended June 30, 2024

Introductory Section

	<u>Page</u>
List of Elected and Appointed Officials	1
Organizational Chart of the Town Government	2
Letter of Transmittal	3

Financial Section

Independent Auditor's Report	8
Management's Discussion and Analysis	11

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position	21
Statement of Activities	22

Fund Financial Statements:

Governmental Funds

Balance Sheet	23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	24
Statement of Revenues, Expenditures and Changes in Fund Balances	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26

Proprietary Funds

Statement of Fund Net Position	27
Statement of Revenues, Expenses and Changes in Fund Net Position	28
Statement of Cash Flows	29

Fiduciary Funds

Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31

Notes to the Financial Statements	32
-----------------------------------	----

TOWN OF WINCHESTER, CONNECTICUT

Table of Contents
For the Year Ended June 30, 2024

Financial Section (Continued)

REQUIRED SUPPLEMENTARY INFORMATION

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Basis	71
---	----

Pension and OPEB Plans

Schedule of Changes of Net Pension Liability and Related Ratios – Town Defined Benefit Pension Plan	74
Schedule of Contributions – Town Defined Benefit Pension Plan	75
Schedule of Investment Returns – Town Defined Benefit Pension Plan	76
Schedule of Town's Proportionate Share of the Net Pension Liability and Schedule of Contributions - Municipal Employees' Retirement System	77
Schedule of Changes in the Total OPEB Liability – Other Postemployment Benefits (OPEB) Plan	78
Schedule of the Town's Proportionate Share of the Net Pension Liability – Teachers' Retirement System	79
Schedule of Town's Proportionate Share of the Net OPEB Liability – Teachers' Retirement System	80
Notes to the Required Supplementary Information	81

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85

Supplemental Schedules

Schedule of Property Taxes Levied, Collected, and Outstanding	88
Schedule of Water and Sewer Rents Levied, Collected, and Outstanding	89

Statistical Section

Table

Financial Trends		
1	Net Position by Component	90
2	Change in Net Position	91
3	Fund Balances of Governmental Funds	93
4	Revenues, Expenditures and Changes in Fund Balances, Governmental Funds	94
Revenue Capacity		
5	Assessed and Estimated Actual Value of Taxable Property	95
6	Principal Property Taxpayers	96
7	Property Tax Levies and Collections	97

TOWN OF WINCHESTER, CONNECTICUT

Table of Contents
For the Year Ended June 30, 2024

Statistical Section (Continued)

Table

Debt Capacity

8	Ratios of Outstanding Debt by Type	98
9	Schedule of Debt Limitation	99
10	Legal Debt Margin Information	100
11	Debt Statement	101
12	Current Debt Ratios	102

Demographic and Economic Statistics

13	Demographic and Economic Statistics	103
14	Principal Employers	104

Operating Information

15	Full-Time Equivalent Town Government Employees by Function/Program	105
16	Operating Indicators by Function/Program	106
17	Capital Asset Statistics by Function/Program	108

Introductory Section

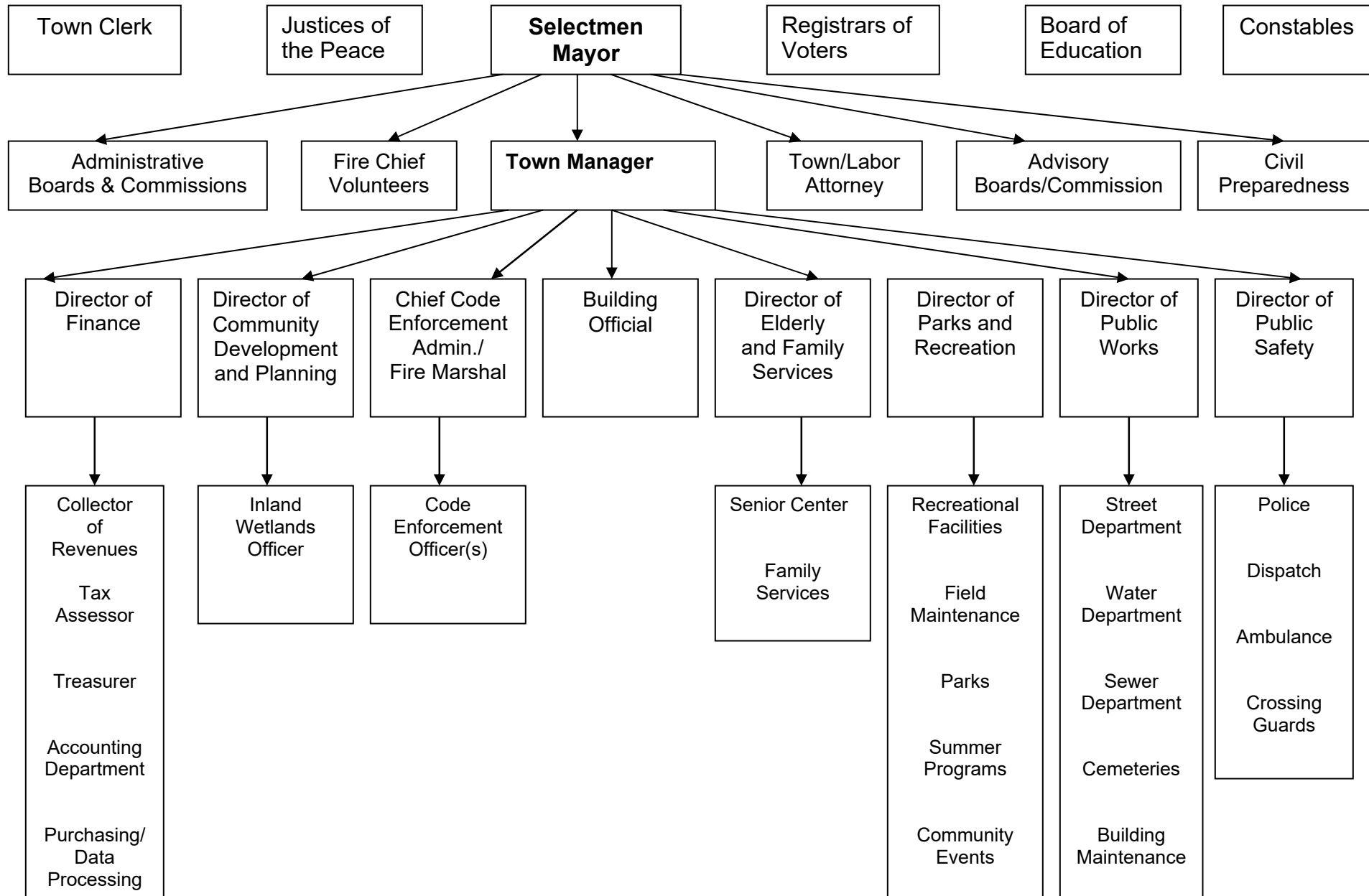
TOWN OF WINCHESTER, CONNECTICUT

List of Elected and Appointed Officials

As of June 30, 2024

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>
Mayor:	Todd Arcelaschi	Appointed
Board of Selectman:	Todd Arcelaschi	Elected
	William Hester	Elected
	Troy Lamere	Elected
	Paul Marino	Elected
	William Pozzo	Elected
	Althea Candy Perez	Elected
	Vacant	Elected
Board of Assessment Appeals:	John Herman, Chairman	Appointed
	Jack Bourque	Appointed
	Joel Stewart	Appointed
	Lynn Kessler	Appointed
	Ryan Horvay	Alternate
	Troy Lamere	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. Albanesius	Elected
Purchasing Agent:	Donald Murelli	Appointed
Town Assessor:	David Dietch	Appointed
Superintendent of Schools:	Friedman Burr	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

February 10, 2025

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, 2024. 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, 2024.

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, 2024. 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 requires 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.

Economic Condition and Outlook

Winchester is primarily a residential community with single-family homes. The town encompasses 32 square miles with a current population of approximately 11,000 residents, according to recent data. The latest population projections estimate Winchester's 2025 population will be 10,222, reflecting a slight annual decline of 0.1%. Most residents continue to be employed in the manufacturing, education, health and social services sectors.

In accordance with State of Connecticut statutes, the Town conducted its most recent property revaluation in 2022, which included a comprehensive physical inspection of all properties. This full revaluation has helped establish current market values for all properties in the municipality.

As of June 30, 2024, the Town's unassigned General Fund balance was \$8,360,693, which represents 21.7 percent of fiscal year 2024 General Fund budgeted expenditures. As of June 30, 2024, the Town maintains a strong financial position, building upon its AA/Stable Standard & Poor's rating issued in April 2023.

In fiscal year 2024, the Town spent \$858,024 on approved projects utilizing American Rescue Plan Act (ARPA) funds. The Town continues to manage its ARPA funds strategically, with a focus on community development and infrastructure improvements.

Major Initiatives

Land Use and Zoning Regulations

The Town's online permitting software platform continues to operate efficiently, providing streamlined access to regulations and ordinances. The Planning and Community Development Department maintains comprehensive oversight of town planning, environmental planning, development review, and permitting processes associated with residential and commercial development. The department operates with full staffing, enabling thorough attention to zoning, wetlands, blight and building code enforcement, fire code compliance, rental inspections, and planning services.

Regional Outreach

Winchester maintains its active membership in the Northwest Hills Council of Governments (NHCOG), continuing to benefit from regional cooperation initiatives such as the Public Works Equipment Cooperative. The Town's successful shared service agreements with neighboring communities, including arrangements for Fire Marshal and Economic Development personnel with the Town of Barkhamsted, demonstrates the value of regional collaboration.

Brownfields

The Winsted Edge Works site continues its transformation into a vibrant business hub. Building upon the success of the craft brewery and ax throwing facility, the location has attracted additional commercial tenants, contributing to the area's economic revitalization.

Economic Development

The Economic Development Commission remains committed to expanding the Town's commercial and industrial base, with a particular focus on adaptive reuse of former mill sites and development of marketable properties in industrial and commercial zones. The Commission has implemented new initiatives in fiscal year 2024, including regular Main Street walking meetings to directly engage with local businesses.

The Sue Grossman Trail extension towards downtown, completed in 2023, has enhanced connectivity and recreational opportunities for residents and visitors. This improvement has helped support the continued revitalization of the Main Street corridor, where several new businesses have established operations during the current fiscal year.

The Town continues to leverage grant funding for community development and infrastructure improvements. A significant development for 2024 includes the scheduled deep drawdown of Highland Lake in the winter of 2025/2026, part of the Town's ongoing commitment to lake management and environmental preservation. The Highland Lake State of CT boat launch improvements are also underway, with construction work scheduled through November, 2024.

The Economic Development Department has maintained its momentum in attracting and supporting businesses through various initiatives, including the continuation of the successful Façade Improvement and Business Start-Up Forgivable Loan programs. The department regularly hosts business forums and Main Street events, such as the Shop, Sip & Stroll program, designed to showcase local businesses and attract visitors to the downtown area.

Infrastructure and public safety improvements remain priorities, with ongoing implementation of previously secured federal funding for Public Works facility renovation and emergency communications equipment. The Town continues to actively pursue additional grant opportunities for community enhancement, focusing on both economic development and quality of life improvements for residents.

Labor Contracts

During the fiscal year, the Town completed negotiations for the renewal of the UPSEU COPS Police Contract which now expires in June 2026.

Infrastructure

The Town continues moving forward with 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. Bids were awarded for the reconstruction of Elm Street, Hubbard Street and the Smith Hill Road culvert in May 2024 with construction to commence in the summer of 2024. Additional in-house road upgrades began for Marshall Street, Upland Road, Old Colebrook Road and Indian Meadow Drive.

Winsted Sewer and Winsted Waterworks have also undertaken upgrades to the sewer plant and water tanks, respectively. These projects are funded utilizing bond and ARPA funds, as well as financing through the Connecticut Drinking Water State Revolving Fund.

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 and the Town Manager for their continued support in planning and conducting the financial operations of the Town in a responsible and professional manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ann Marie Rheault", with a stylized flourish at the end.

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, 2024, 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, 2024, 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 the 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.

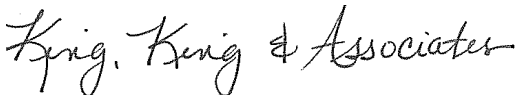
Other Information

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 February 10, 2025, 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
February 10, 2025

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

As management of the Town of Winchester, CT, 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, 2024.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Winchester exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$100,959,627 (*net position*). Governmental activities reflect an unrestricted net position in the amount of \$5,588,954 which is available to be used to meet ongoing obligations to citizens and creditors. Business-type activities have an unrestricted net position of \$3,090,964.
- In the Town's governmental activities, total net position increased by \$2,854,514.
- In the Town's business-type activities, total net position increased by \$1,466,280.
- As of the close of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of \$20,338,295, a decrease of \$2,038,316 in comparison with the prior year.
- At the end of the current fiscal year, unassigned and total fund balances for the General Fund were \$8,360,693 and \$10,410,693, 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).

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

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. The business-type activities of the Town of Winchester include fees to customers to help it cover all or most of the cost of certain services it provides for water and sewer.

The government-wide financial statements can be found on pages 21-22 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, ARPA Fund, Water & Sewer Capital Improvements Fund, Hinsdale Renovation Project, and Capital Improvements Fund. 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 23-26 of this report.

Proprietary Funds: The Town maintains two proprietary funds. Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer funds, both of which are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

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 30-31 of this report.

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 32-70 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 \$100,959,627 at the close of the most recent fiscal year.

SUMMARY STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023*	2024	2023*	2024	2023*
Current and Other Assets	\$ 26,554,615	\$ 29,218,971	\$ 4,025,977	\$ 3,834,814	\$ 30,580,592	\$ 33,053,785
Capital Assets	72,350,301	68,876,357	28,137,122	26,810,681	100,487,423	95,687,038
Total Assets	<u>98,904,916</u>	<u>98,095,328</u>	<u>32,163,099</u>	<u>30,645,495</u>	<u>131,068,015</u>	<u>128,740,823</u>
Deferred Outflows of Resources	<u>3,129,964</u>	<u>3,349,404</u>	<u>34,993</u>	<u>97,227</u>	<u>3,164,957</u>	<u>3,446,631</u>
Long-term Liabilities	23,852,773	25,505,066	1,864,959	2,006,847	25,717,732	27,511,913
Other Liabilities	5,534,253	6,027,238	263,962	132,867	5,798,215	6,160,105
Total Liabilities	<u>29,387,026</u>	<u>31,532,304</u>	<u>2,128,921</u>	<u>2,139,714</u>	<u>31,515,947</u>	<u>33,672,018</u>
Deferred Inflows of Resources	<u>1,757,398</u>	<u>1,876,486</u>	<u>-</u>	<u>117</u>	<u>1,757,398</u>	<u>1,876,603</u>
Net Position:						
Net Investment						
in Capital Assets	62,563,734	63,942,346	26,978,207	25,584,740	89,541,941	89,527,086
Restricted	2,737,768	2,564,889	-	-	2,737,768	2,564,889
Unrestricted	5,588,954	1,528,707	3,090,964	3,018,151	8,679,918	4,546,858
Total Net Position	<u>\$ 70,890,456</u>	<u>\$ 68,035,942</u>	<u>\$ 30,069,171</u>	<u>\$ 28,602,891</u>	<u>\$ 100,959,627</u>	<u>\$ 96,638,833</u>

*As Restated

\$89,541,941 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.

The Town's restricted net position of \$2,737,768 increased by \$172,879 compared to last year's restricted net position of \$2,564,889.

The Town's unrestricted net position of \$8,679,918 increased by \$4,133,060 compared to last year's restricted net position of \$4,546,858.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024

STATEMENT OF CHANGES IN NET POSITION

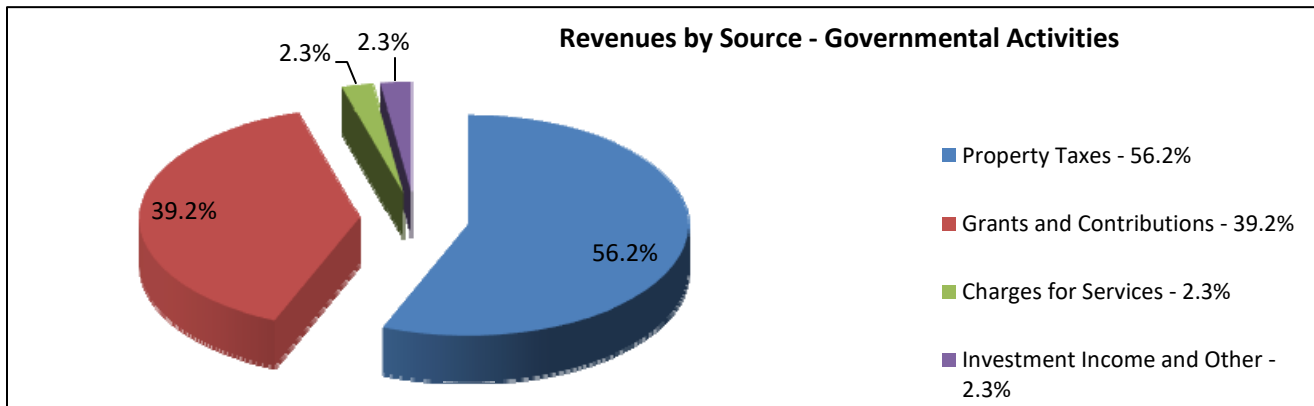
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 27,348,593	\$ 26,397,711	\$ -	\$ -	\$ 27,348,593	\$ 26,397,711
Unrestricted Grants & Contributions	1,152,302	1,010,515	-	13,806	1,152,302	1,024,321
Unrestricted Investment Income	733,724	381,110	11,215	10,749	744,939	391,859
Other Revenues	358,769	137,959	-	-	358,769	137,959
<i>Program Revenues:</i>						
Charges for Services	1,100,662	1,398,932	3,989,787	4,104,512	5,090,449	5,503,444
Operating Grants and Contributions	14,201,329	15,562,568	-	-	14,201,329	15,562,568
Capital Grants and Contributions	3,732,976	5,031,562	-	-	3,732,976	5,031,562
Total Revenues	<u>48,628,355</u>	<u>49,920,357</u>	<u>4,001,002</u>	<u>4,129,067</u>	<u>52,629,357</u>	<u>54,049,424</u>
EXPENSES						
<i>Governmental Activities:</i>						
General Government	4,525,106	4,747,473	-	-	4,525,106	4,747,473
Public Safety	5,168,466	5,314,279	-	-	5,168,466	5,314,279
Public Works	4,198,207	4,104,417	-	-	4,198,207	4,104,417
Health	621,212	805,182	-	-	621,212	805,182
Library	248,220	240,990	-	-	248,220	240,990
Parks and Recreation	614,198	577,985	-	-	614,198	577,985
Waste Disposal and Recycling	215,188	215,188	-	-	215,188	215,188
Education	28,031,972	25,931,141	-	-	28,031,972	25,931,141
Interest on Long-Term Debt	562,765	221,393	-	-	562,765	221,393
<i>Business-Type Activities:</i>						
Waterworks	-	-	1,811,209	1,724,085	1,811,209	1,724,085
Sewer	-	-	2,312,020	2,395,260	2,312,020	2,395,260
Total Expenses	<u>44,185,334</u>	<u>42,158,048</u>	<u>4,123,229</u>	<u>4,119,345</u>	<u>48,308,563</u>	<u>46,277,393</u>
Change in Net Position Before Transfers	4,443,021	7,762,309	(122,227)	9,722	4,320,794	7,772,031
Transfers	<u>(1,588,507)</u>	<u>(1,998)</u>	<u>1,588,507</u>	<u>1,998</u>	<u>-</u>	<u>-</u>
Change in Net Position	2,854,514	7,760,311	1,466,280	11,720	4,320,794	7,772,031
Beginning Net Position	<u>68,035,942</u>	<u>58,349,037</u>	<u>28,602,891</u>	<u>29,105,718</u>	<u>96,638,833</u>	<u>87,454,755</u>
Adjustment/Restatement	<u>-</u>	<u>1,926,594</u>	<u>-</u>	<u>(514,547)</u>	<u>-</u>	<u>1,412,047</u>
Ending Net Position	<u>\$ 70,890,456</u>	<u>\$ 68,035,942</u>	<u>\$ 30,069,171</u>	<u>\$ 28,602,891</u>	<u>\$ 100,959,627</u>	<u>\$ 96,638,833</u>

Governmental Activities

Governmental activities increased the Town of Winchester's net position by \$2,854,514.

Fifty-seven percent (57%) of the revenues of the Town were derived from property taxes, followed by thirty-nine percent (39%) from grants and contributions, two percent (2%) from fees for services, and two percent (2%) from investment income and other.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2024



Major revenue factors included:

- \$951,000 increase in Property Taxes primarily due to increase in the grand list.
- \$1,299,000 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.
- \$1,361,000 decrease in Operating Grants and Contributions primarily due to a decrease in education related COVID-19 grants and expenditures.
- \$352,000 increase in investment income due to favorable interest rates on investments and idle cash.

For Governmental Activities, sixty-three percent (63%) of the Town's expenses relate to education, thirteen percent (13%) relate to public safety and health, ten percent (10%) relate to public works, ten percent (10%) relate to general government, and the remaining four percent (4%) relates to library, waste disposal and recycling, parks and recreation, and interest on long-term debt.

Major expense factors included:

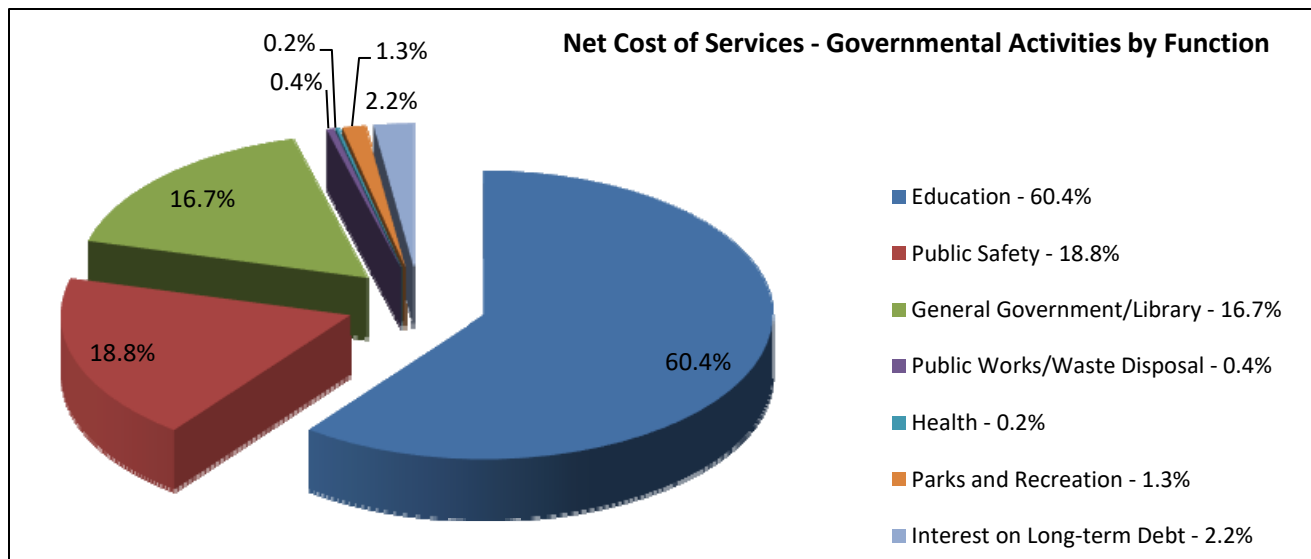
- \$341,000 increase in interest on long-term debt related to the recently issued long-term bonds.
- \$146,000 decrease in Public Safety expenses primarily due to labor cost savings as a result of staff vacancies.
- \$2,101,000 increase in education expenses due to higher salary and benefits costs along with the use of \$565,000 from the Board of Education's nonlapsing fund.

TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2024

The following chart presents the net cost of services for the Town's major functions – General Government/Library, Public Safety, Public Works/Waste Disposal, Education, Health, Parks and Recreation, and Interest on Long-term Debt.



Business-Type Activities

Business-type activities increased the Town of Winchester's net position by \$1,466,280.

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.

Major revenue factors included:

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

Fifty-five percent (55%) of the expenses of the business-type activities were related to operations, four percent (4%) were related to maintenance, thirty percent (30%) were related to depreciation and amortization expenses, and eleven percent (11%) was related to administration and other expenses.

Major expense factors included:

- Depreciation expense during the year amounted to \$1,230,810.
- The Town adjusted accounting estimates (see Note 14) related to the allocation of the net pension liability, deferred outflows of resources, and deferred inflows of resources between the governmental activities and the business-type activities. Changes in the net pension liability and the related deferred outflows and inflows of resources will impact reported expenses going forward based on numbers determined by the Town actuary.

TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2024

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 \$20,338,295, a decrease of \$2,038,316 in comparison with the prior year. The governmental funds currently have an unassigned fund balance of \$7,438,630, or 36.6% of total governmental funds fund balance.

General Fund. The General Fund is the chief operating fund of the Town of Winchester. At the end of the current fiscal year, the General Fund's fund balance was \$10,410,693 of which \$2,050,000 was committed to capital improvements. The remaining \$8,360,693 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. Unassigned and total General Fund balances represented 21.7% and 27.0% of total budget basis General Fund expenditures and transfers out, respectively. See page 73 for budgetary basis data.

The fund balance of the Town of Winchester's General Fund increased by \$29,746 during the current fiscal year. Key factors in this increase are as follows:

- The anticipated use of fund balance of \$1,093,346 offset by greater than anticipated revenues.
- Investment income of \$702,916.
- The Board of Education utilized \$565,530 of nonlapsing funds for expenditure in the current year.

ARPA Fund. The fund balance of the ARPA Fund increased by \$13,234 during the current fiscal year due to \$13,234 of interest earned on unearned grant revenue. The fund currently has \$1,322,072 reported as unearned grant revenue which will be recognized when eligible grant expenditures are made.

Water & Sewer Capital Improvements Fund. The fund balance of the W&S Capital Improvements Fund increased by \$2,830 during the current fiscal year. There is a deficit fund balance of (\$791,146) at the end of the current fiscal year due mainly to debt funded construction costs incurred through June 30, 2024 for which loans have not yet been received from the Drinking Water State Revolving Fund.

Hinsdale Renovation Project. There is a deficit fund balance of (\$99,682) at the end of the current fiscal year. There was no activity during the year, the Town is waiting for school construction grant reimbursements to come in.

Capital Improvements Fund: The fund balance of the Capital Improvements Fund decreased by \$1,322,422 during the current fiscal year due to using some of the previously received bond funds. There were also transfers in during the year of \$2,506,000 and intergovernmental revenues of \$1,925,616.

TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$605,169. Budgetary revenues were \$1,175,022 greater than expected due primarily to higher than anticipated investment income. Budgetary expenditures were \$521,593 less than expected due primarily to savings in general government, public safety, and public works lines. The Town originally anticipated to use \$1,093,346 from its fund balance for the transfer to the capital improvement fund.

The General Fund Budgetary Highlights are as follows:

- \$220,000 of other local revenues in excess of budget mainly from the sale of town owned properties.
- \$105,000 of property taxes, interest and lien fees collected in excess of budget.
- \$207,000 of intergovernmental revenue in excess of budget.
- \$643,000 of investment income in excess of budget.
- \$423,000 of combined expenditure savings in the General Government, Public Safety, and Public Works functions.

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, 2024, amounts to \$100,487,423 (net of accumulated depreciation). This reported value in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, right of use assets, and infrastructure assets such as roads and bridges. The total increase in the Town's investment in capital assets for the current fiscal year was \$4,800,385.

	2024	2023
<i>Governmental Activities:</i>		
Land	\$ 25,839,045	\$ 25,839,045
Construction in Progress	5,980,597	6,270,170
Buildings	17,256,817	17,636,257
Improvements	5,033,242	2,852,616
Machinery and Equipment	4,432,651	4,089,305
Infrastructure	13,679,786	11,963,059
Right of Use Subscriptions	120,247	175,894
Right of Use Equipment	7,916	50,011
	<u>\$ 72,350,301</u>	<u>\$ 68,876,357</u>
	2024	2023
<i>Business-Type Activities:</i>		
Land	\$ 85,476	\$ 85,476
Construction in Progress	3,553,478	1,567,470
Buildings	12,926,745	13,637,561
Improvements	1,350,148	1,180,623
Machinery and Equipment	1,202,238	955,279
Infrastructure	9,019,037	9,384,272
	<u>\$ 28,137,122</u>	<u>\$ 26,810,681</u>

TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2024

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

- Purchase of a fire truck along with the sale of an old fire truck.
- Installation of HVAC system at Peason School.
- Continuation of Drinking Water tank replacement projects.
- Ongoing road and bridge replacement projects.

Additional information on the Town of Winchester's capital assets can be found in Note 5 on pages 44-45 of this report.

Long-Term Debt: At the end of the current fiscal year, the Town had total bonded debt outstanding of \$10,925,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total long-term debt, consisting of general obligation bonds, notes and loans payable, leases payable, and subscriptions payable, decreased by \$1,184,697 or 8.3% during the current fiscal year. This decrease was mainly due to the repayment of general obligation bonds of \$991,000.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation is significantly in excess of the Town's outstanding general obligation debt. The Town's bond rating is AA by Standard and Poor's.

The following is a two-year comparison of long-term debt:

	2024	2023
<i>Governmental Activities:</i>		
General Obligation Bonds	\$ 10,925,000	\$ 11,916,000
Unamortized Bond Premiums	707,017	785,973
Equipment Financing Notes	174,750	204,425
Leases Payable	42,389	50,464
Subscriptions Payable	153,157	163,122
Total Governmental Activities	<u>\$ 12,002,313</u>	<u>\$ 13,119,984</u>
<i>Business-Type Activities:</i>		
Loans Payable	<u>\$ 1,158,915</u>	<u>\$ 1,225,941</u>

Additional information on the Town of Winchester's long-term debt can be found in Note 7 on pages 47-50 of this report.

TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Recent revaluation and other economic development impacts on Grand List growth.
- Continued capital investment to address aging infrastructure and equipment.

All of these factors were considered in preparing the Town of Winchester's budget for the 2025 fiscal year. The Town's fiscal year 2025 approved budget contemplates budgetary expenditure appropriations in the amount of \$40,806,370. The Town has committed \$2,050,000 of fund balance to be transferred to the capital improvement fund in the 2025 budget.

REQUESTS 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 15,910,692	\$ 4,721,948	\$ 20,632,640
Restricted Cash and Cash Equivalents	127,192	-	127,192
Receivables, Net of Allowance	8,608,287	1,204,209	9,812,496
Internal Balances	1,900,180	(1,900,180)	-
Prepays	4,700	-	4,700
Other Assets	3,564	-	3,564
Capital Assets:			
Assets Not Being Depreciated	31,819,642	3,638,954	35,458,596
Assets Being Depreciated, Net	40,530,659	24,498,168	65,028,827
Total Assets	<u>98,904,916</u>	<u>32,163,099</u>	<u>131,068,015</u>
Deferred Outflows of Resources			
Deferred Outflows - Pension	2,142,651	34,993	2,177,644
Deferred Outflows - OPEB	987,313	-	987,313
Total Deferred Outflows of Resources	<u>3,129,964</u>	<u>34,993</u>	<u>3,164,957</u>
Liabilities			
Accounts Payable and Accrued Items	3,055,681	263,962	3,319,643
Accrued Interest Payable	119,313	-	119,313
Performance Bonds	127,192	-	127,192
Unearned Revenue	2,232,067	-	2,232,067
Noncurrent Liabilities:			
Due Within One Year	1,376,518	167,811	1,544,329
Due In More Than One Year	22,476,255	1,697,148	24,173,403
Total Liabilities	<u>29,387,026</u>	<u>2,128,921</u>	<u>31,515,947</u>
Deferred Inflows of Resources			
Deferred Inflows - Pension	541,437	-	541,437
Deferred Inflows - OPEB	1,215,961	-	1,215,961
Total Deferred Inflows of Resources	<u>1,757,398</u>	<u>-</u>	<u>1,757,398</u>
Net Position			
Net Investment in Capital Assets	62,563,734	26,978,207	89,541,941
Restricted for Community Development	1,315,800	-	1,315,800
Restricted for Anti Blight	307,464	-	307,464
Restricted for Grants & Donations	424,690	-	424,690
Restricted for Education	171,965	-	171,965
Restricted for Other Purposes	208,797	-	208,797
Restricted for Purposes of Trust:			
Nonexpendable	187,376	-	187,376
Expendable	121,676	-	121,676
Unrestricted	5,588,954	3,090,964	8,679,918
Total Net Position	<u>\$ 70,890,456</u>	<u>\$ 30,069,171</u>	<u>\$ 100,959,627</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, 2024

Functions/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	\$ 4,525,106	\$ 414,702	\$ 156,984	\$ -	\$ (3,953,420)	\$ -	\$ (3,953,420)
Library	248,220	-	-	-	(248,220)	-	(248,220)
Waste Disposal and Recycling	215,188	-	-	-	(215,188)	-	(215,188)
Public Safety	5,168,466	59,878	122,068	272,000	(4,714,520)	-	(4,714,520)
Public Works	4,198,207	324,372	614,212	3,368,476	108,853	-	108,853
Health	621,212	27,500	543,397	-	(50,315)	-	(50,315)
Parks and Recreation	614,198	176,860	17,739	92,500	(327,099)	-	(327,099)
Education	28,031,972	97,350	12,746,929	-	(15,187,693)	-	(15,187,693)
Interest on Long-Term Debt	562,765	-	-	-	(562,765)	-	(562,765)
Total Governmental Activities	<u>44,185,334</u>	<u>1,100,662</u>	<u>14,201,329</u>	<u>3,732,976</u>	<u>(25,150,367)</u>	<u>-</u>	<u>(25,150,367)</u>
Business-Type Activities:							
Waterworks	1,811,209	1,870,712	-	-	-	59,503	59,503
Sewer	2,312,020	2,119,075	-	-	-	(192,945)	(192,945)
Total Business-Type Activities	<u>4,123,229</u>	<u>3,989,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(133,442)</u>	<u>(133,442)</u>
Total Primary Government	<u>\$ 48,308,563</u>	<u>\$ 5,090,449</u>	<u>\$ 14,201,329</u>	<u>\$ 3,732,976</u>	<u>(25,150,367)</u>	<u>(133,442)</u>	<u>(25,283,809)</u>
General Revenues:							
Property Taxes					27,348,593	-	27,348,593
Grants and Contributions not Restricted to Specific Programs					1,152,302	-	1,152,302
Unrestricted Investment Earnings					733,724	11,215	744,939
Miscellaneous					358,769	-	358,769
Transfers					(1,588,507)	1,588,507	-
Total General Revenues and Transfers					<u>28,004,881</u>	<u>1,599,722</u>	<u>29,604,603</u>
Change in Net Position					2,854,514	1,466,280	4,320,794
Net Position - Beginning, as Originally Reported					66,109,348	29,117,438	95,226,786
Adjustment/Restatement					1,926,594	(514,547)	1,412,047
Net Position - Beginning, as Adjusted					<u>68,035,942</u>	<u>28,602,891</u>	<u>96,638,833</u>
Net Position - End of Year					<u>\$ 70,890,456</u>	<u>\$ 30,069,171</u>	<u>\$ 100,959,627</u>

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

TOWN OF WINCHESTER, CONNECTICUT

Balance Sheet Governmental Funds June 30, 2024

	General Fund	ARPA Fund	Water & Sewer Capital Improv. Fund	Hinsdale Renovation Project	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 12,387,794	\$ 1,328,793	\$ -	\$ -	\$ 1,116,139	\$ 1,077,966	\$ 15,910,692
Restricted Cash	127,192	-	-	-	-	-	127,192
Receivables, Net of Allowance	1,157,598	-	1,394,091	1,761,681	2,597,346	1,697,571	8,608,287
Prepays	4,700	-	-	-	-	-	4,700
Other Assets	-	-	-	-	-	3,564	3,564
Due from Other Funds	5,425,424	612,513	2,014,138	-	4,210,769	1,646,733	13,909,577
Total Assets	<u>\$ 19,102,708</u>	<u>\$ 1,941,306</u>	<u>\$ 3,408,229</u>	<u>\$ 1,761,681</u>	<u>\$ 7,924,254</u>	<u>\$ 4,425,834</u>	<u>\$ 38,564,012</u>
Liabilities							
Accounts Payable and Accrued Items	\$ 1,690,530	\$ 2,047	\$ 841,957	\$ -	\$ 412,264	\$ 108,883	\$ 3,055,681
Performance Bonds	127,192	-	-	-	-	-	127,192
Unearned Revenue	-	1,322,072	-	-	41,662	868,333	2,232,067
Due to Other Funds	6,098,931	588,556	3,357,418	1,861,363	46,716	56,413	12,009,397
Total Liabilities	<u>7,916,653</u>	<u>1,912,675</u>	<u>4,199,375</u>	<u>1,861,363</u>	<u>500,642</u>	<u>1,033,629</u>	<u>17,424,337</u>
Deferred Inflows of Resources							
Unavailable Revenue:							
Property Taxes and Interest	775,362	-	-	-	-	-	775,362
Sewer Assessment Charges	-	-	-	-	-	26,018	26,018
Total Deferred Inflows of Resources	<u>775,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,018</u>	<u>801,380</u>
Fund Balances							
Nonspendable	-	-	-	-	-	187,376	187,376
Restricted	-	28,631	-	-	-	2,521,761	2,550,392
Committed	2,050,000	-	-	-	7,423,612	688,285	10,161,897
Assigned	-	-	-	-	-	-	-
Unassigned	8,360,693	-	(791,146)	(99,682)	-	(31,235)	7,438,630
Total Fund Balances	<u>10,410,693</u>	<u>28,631</u>	<u>(791,146)</u>	<u>(99,682)</u>	<u>7,423,612</u>	<u>3,366,187</u>	<u>20,338,295</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 19,102,708</u>	<u>\$ 1,941,306</u>	<u>\$ 3,408,229</u>	<u>\$ 1,761,681</u>	<u>\$ 7,924,254</u>	<u>\$ 4,425,834</u>	<u>\$ 38,564,012</u>

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, 2024

Fund balances reported in governmental funds Balance Sheet \$ 20,338,295

**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>	111,632,349
<i>Depreciation</i>	(39,282,048)

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>	775,362
<i>Sewer assessments and interest receivable greater than 60 days</i>	26,018

Governmental funds report the effect of premiums, deferred charges and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position.

(707,017)

Certain changes related to pensions are deferred and amortized over time.

<i>Deferred Outflows - Pension</i>	2,142,651
<i>Deferred Outflows - OPEB</i>	987,313
<i>Deferred Inflows - Pension</i>	(541,437)
<i>Deferred Inflows - OPEB</i>	(1,215,961)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Accrued Interest payable</i>	(119,313)
<i>Bonds payable</i>	(10,925,000)
<i>Equipment Financing Notes</i>	(174,750)
<i>Lease Liability</i>	(8,075)
<i>Subscription Based IT Arrangements Payable</i>	(153,157)
<i>Net Pension Liability</i>	(7,918,302)
<i>OPEB Liability</i>	(2,859,018)
<i>Heart and Hypertension Liability</i>	(528,917)
<i>Compensated Absences</i>	<u>(578,537)</u>

Net position of governmental activities **\$ 70,890,456**

TOWN OF WINCHESTER, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	ARPA Fund	Water & Sewer Capital Improv. Fund	Hinsdale Renovation Project	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Revenues							
Property Taxes, Interest and Lien Fees	\$ 27,354,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,354,314
Intergovernmental Revenues	11,139,679	858,023	1,332,686	-	1,925,616	3,771,188	19,027,192
Charges for Services	650,117	-	-	-	-	261,603	911,720
Licenses, Fees and Permits	237,349	-	-	-	-	-	237,349
Interest and Dividends	702,916	13,234	-	-	7,201	10,373	733,724
Other Revenue	89,319	-	-	-	94,952	169,832	354,103
Total Revenues	<u>40,173,694</u>	<u>871,257</u>	<u>1,332,686</u>	<u>-</u>	<u>2,027,769</u>	<u>4,212,996</u>	<u>48,618,402</u>
Expenditures							
Current:							
General Government	2,918,710	122,351	-	-	133,114	10,811	3,184,986
Library	248,220	-	-	-	-	-	248,220
Miscellaneous	416,312	-	-	-	-	-	416,312
Waste Disposal and Recycling	215,188	-	-	-	-	-	215,188
Public Safety	3,527,148	134,837	-	-	683,369	25,933	4,371,287
Public Works	2,067,868	299,157	-	-	4,694,509	6,133	7,067,667
Health	148,519	-	-	-	-	509,975	658,494
Parks and Recreation	390,485	94,678	-	-	15,700	159,953	660,816
Education	24,674,936	-	-	-	244,440	3,432,737	28,352,113
Program and Project Expenditures	2,844,374	-	-	-	-	-	2,844,374
Debt Service:							
Principal Retirement	991,000	-	-	-	29,675	-	1,020,675
Interest	508,740	-	-	-	13,668	-	522,408
Capital Outlay	-	-	2,076,866	-	-	-	2,076,866
Total Expenditures	<u>38,951,500</u>	<u>651,023</u>	<u>2,076,866</u>	<u>-</u>	<u>5,814,475</u>	<u>4,145,542</u>	<u>51,639,406</u>
Excess/(Deficiency) of Revenues over Expenditures	1,222,194	220,234	(744,180)	-	(3,786,706)	67,454	(3,021,004)
Other Financing Sources/(Uses)							
Proceeds from Sale of Assets	213,757	-	-	-	-	-	213,757
Transfers In	703,192	-	747,010	-	2,506,000	92,276	4,048,478
Transfers Out	(2,109,397)	(207,000)	-	-	(41,716)	(921,434)	(3,279,547)
Total Other Financing Sources/(Uses)	<u>(1,192,448)</u>	<u>(207,000)</u>	<u>747,010</u>	<u>-</u>	<u>2,464,284</u>	<u>(829,158)</u>	<u>982,688</u>
Net Change in Fund Balances	29,746	13,234	2,830	-	(1,322,422)	(761,704)	(2,038,316)
Fund Balances at Beginning 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>
Fund Balances at End of Year	<u>\$ 10,410,693</u>	<u>\$ 28,631</u>	<u>\$ (791,146)</u>	<u>\$ (99,682)</u>	<u>\$ 7,423,612</u>	<u>\$ 3,366,187</u>	<u>\$ 20,338,295</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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (2,038,316)
---	-----------------------

**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>	5,597,005
<i>Depreciation expense</i>	(1,970,350)
<i>Loss on Disposals</i>	(152,711)

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>	(5,721)
<i>Sewer assessment and interest revenue accrual basis change</i>	(8,021)

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>	991,000
<i>Principal payments on long-term debt - equipment financing notes</i>	29,675
<i>Principal payments on long-term debt - lease payables</i>	42,389
<i>Principal payments on long-term debt - SBITA payables</i>	9,965
<i>Amortization of bond premiums</i>	78,956

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>Accrued interest payable</i>	(119,313)
<i>Net pension liability and related outflows/inflows</i>	51,213
<i>OPEB liability and related outflows/inflows</i>	167,913
<i>Heart and hypertension</i>	65,691
<i>Compensated absences</i>	<u>115,139</u>

Change in net position of governmental activities	<u>\$ 2,854,514</u>
--	----------------------------

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, 2024

	Business-Type Activities - Enterprise Funds		
	Waterworks	Sewer	Total
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 3,327,096	\$ 1,394,852	\$ 4,721,948
Rents and Assessments Receivable, Net	81,736	109,842	191,578
Interest Receivable	20,663	24,431	45,094
Due from Other Funds	285,460	124,572	410,032
Accrued Utility Revenue	468,374	499,163	967,537
Total Current Assets	<u>4,183,329</u>	<u>2,152,860</u>	<u>6,336,189</u>
Noncurrent Assets:			
Nondepreciable Capital Assets	3,274,115	364,839	3,638,954
Capital Assets, Net of Accumulated Deprecation	13,465,617	11,032,551	24,498,168
Total Noncurrent Assets	<u>16,739,732</u>	<u>11,397,390</u>	<u>28,137,122</u>
Total Assets	<u>20,923,061</u>	<u>13,550,250</u>	<u>34,473,311</u>
Deferred Outflows of Resources			
Deferred Outflows - Pension	<u>18,335</u>	<u>16,658</u>	<u>34,993</u>
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Items	97,321	166,641	263,962
Due to Other Funds	1,396,168	914,044	2,310,212
Compensated Absences	29,798	54,106	83,904
Loans Payable	46,900	37,007	83,907
Total Current Liabilities	<u>1,570,187</u>	<u>1,171,798</u>	<u>2,741,985</u>
Noncurrent Liabilities:			
Compensated Absences	38,110	31,302	69,412
Net Pension Liability	289,603	263,125	552,728
Loans Payable	1,014,878	60,130	1,075,008
Total Noncurrent Liabilities	<u>1,342,591</u>	<u>354,557</u>	<u>1,697,148</u>
Total Liabilities	<u>2,912,778</u>	<u>1,526,355</u>	<u>4,439,133</u>
Deferred Inflows of Resources			
Deferred Inflows - Pension	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net Investment in Capital Assets	15,677,954	11,300,253	26,978,207
Unrestricted	2,350,664	740,300	3,090,964
Total Net Position	<u>\$ 18,028,618</u>	<u>\$ 12,040,553</u>	<u>\$ 30,069,171</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, 2024

	Business-Type Activities - Enterprise Funds		
	Waterworks	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 1,851,207	\$ 2,082,072	\$ 3,933,279
Fines, Penalties and Interest	19,505	37,003	56,508
Total Operating Revenues	<u>1,870,712</u>	<u>2,119,075</u>	<u>3,989,787</u>
OPERATING EXPENSES			
Operations	996,607	1,283,753	2,280,360
Maintenance	21,377	141,008	162,385
Depreciation Expense	540,063	690,747	1,230,810
Administration	<u>197,843</u>	<u>194,175</u>	<u>392,018</u>
Total Operating Expenses	<u>1,755,890</u>	<u>2,309,683</u>	<u>4,065,573</u>
Income (Loss) from Operations	114,822	(190,608)	(75,786)
NONOPERATING REVENUE (EXPENSES)			
Interest Income	8,873	2,342	11,215
Interest Expense and Issuance Costs	<u>(55,319)</u>	<u>(2,337)</u>	<u>(57,656)</u>
Total Nonoperating Revenues/(Expenses)	<u>(46,446)</u>	<u>5</u>	<u>(46,441)</u>
Income/(Loss) before Transfers, and			
Capital Contributions	<u>68,376</u>	<u>(190,603)</u>	<u>(122,227)</u>
Transfers:			
Transfers In	-	6,642	6,642
Transfers Out	<u>(421,000)</u>	<u>(354,573)</u>	<u>(775,573)</u>
Total Transfers	<u>(421,000)</u>	<u>(347,931)</u>	<u>(768,931)</u>
Capital Contributions	<u>1,867,627</u>	<u>489,811</u>	<u>2,357,438</u>
Change in Net Position	1,515,003	(48,723)	1,466,280
Net Position - Beginning, as Originally Reported	16,361,613	12,755,825	29,117,438
Adjustment/Restatement	<u>152,002</u>	<u>(666,549)</u>	<u>(514,547)</u>
Net Position - Beginning, as Adjusted	<u>16,513,615</u>	<u>12,089,276</u>	<u>28,602,891</u>
Net Position - End of Year	<u>\$ 18,028,618</u>	<u>\$ 12,040,553</u>	<u>\$ 30,069,171</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, 2024

	Business-Type Activities - Enterprise Funds		
	Waterworks	Sewer	Total
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 1,877,590	\$ 2,111,945	\$ 3,989,535
Receipts from Interfund Services	13,568	13,568	27,136
Payments to Employees	(221,874)	(182,889)	(404,763)
Payments to Suppliers	(971,161)	(1,331,689)	(2,302,850)
Net Cash Provided by Operating Activities	<u>698,123</u>	<u>610,935</u>	<u>1,309,058</u>
Cash Flows from Noncapital Financing Activities:			
Advance/(Repayment) from General Fund	(3,211)	53,887	50,676
Advance/(Repayment) from Sewer Assessments	-	6,642	6,642
Advance/(Repayment) from Proprietary Funds	(37,555)	37,555	-
Receipt of Intergovernmental Grants	13,806	-	13,806
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>(26,960)</u>	<u>98,084</u>	<u>71,124</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Loans Payable	(30,751)	(36,275)	(67,026)
Principal Payments on General Fund Bonds Payable	-	(28,000)	(28,000)
Advance/(Repayment) from W & S Cap Fund	(9,090)	(56,010)	(65,100)
Purchase of Capital Assets	(29,384)	(179,229)	(208,613)
Interest and Issuance Costs Paid on Loans Payable	(55,319)	(2,900)	(58,219)
Net Cash Used by Capital and Related Financing Activities	<u>(124,544)</u>	<u>(302,414)</u>	<u>(426,958)</u>
Cash Flows from Investing Activities:			
Interest Income	8,873	2,342	11,215
Net Cash Provided by Investing Activities	<u>8,873</u>	<u>2,342</u>	<u>11,215</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	555,492	408,947	964,439
Cash and Cash Equivalents at Beginning of Year	<u>2,771,604</u>	<u>985,905</u>	<u>3,757,509</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,327,096</u>	<u>\$ 1,394,852</u>	<u>\$ 4,721,948</u>
Reconciliation of Income (Loss) from Operations to Net Cash Provided by (Used in) Operating Activities			
Income (Loss) from Operations	\$ 114,822	\$ (190,608)	\$ (75,786)
Adjustments to Reconcile Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation	540,063	690,747	1,230,810
Loss on Disposal of Capital Assets	-	8,800	8,800
Change in Assets and Liabilities:			
(Increase) Decrease in Rents Receivable	23,096	48,552	71,648
(Increase) Decrease in Interest Receivable	4,923	200	5,123
(Increase) Decrease in Accrued Utility Revenue	(7,573)	(42,314)	(49,887)
(Increase) Decrease in Deferred Outflows - Pension	32,607	29,627	62,234
Increase (Decrease) in Accounts Payable and Accrued Expenses	46,823	84,272	131,095
Increase (Decrease) in Accrued Vacation and Sick Leave Benefits	(25,701)	9,768	(15,933)
Increase (Decrease) in Net Pension Liability	(30,876)	(28,053)	(58,929)
Increase (Decrease) in Deferred Inflows - Pension	(61)	(56)	(117)
Total Adjustments	<u>583,301</u>	<u>801,543</u>	<u>1,384,844</u>
Net Cash Provided by Operating Activities	<u>\$ 698,123</u>	<u>\$ 610,935</u>	<u>\$ 1,309,058</u>
Noncash Capital and Related Financing Activity:			
Capital Contributions from Other Funds	<u>\$ 1,867,627</u>	<u>\$ 489,811</u>	<u>\$ 2,357,438</u>

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

TOWN OF WINCHESTER, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	Pension Trust Fund
Assets	
Cash and Cash Equivalents	\$ 1,279
Investments, at Fair Value:	
Mutual Funds	9,406,622
Accrued Income	20,914
Total Assets	<u>9,428,815</u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	<u>-</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Restricted for Pension Benefits	9,428,815
Total Net Position	<u>\$ 9,428,815</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

Fiduciary Funds

For the Year Ended June 30, 2024

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 495,596
Plan Members	48,322
Total Contributions	<u>543,918</u>
Net Investment Income:	
Net Appreciation/(Depreciation) in Fair Value of Investments	642,783
Interest and Dividends	<u>314,652</u>
Total Investment Income	957,435
Less: Investment Management Fees	<u>(50,526)</u>
Net Investment Income	<u>906,909</u>
Total Additions	<u>1,450,827</u>
Deductions	
Benefits	1,081,106
Administrative Expenses	<u>6,267</u>
Total Deductions	<u>1,087,373</u>
Change in Net Position	363,454
Net Position at Beginning of Year	<u>9,065,361</u>
Net Position at End of Year	<u>\$ 9,428,815</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

Financial 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.

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 Hinsdale School.

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 type:

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

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. 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.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Property taxes 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and 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.

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 reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poor's. 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.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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.

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.

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

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.

Inventories and Prepaid Items - Inventories are reported at the lower of cost or net realizable value using the first-in/first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Leases (as Lessor) – The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund, and proprietary fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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 acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the 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 assets 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 Deferred Pension and OPEB Expense in this category. Deferred pension and OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections and deferred leases in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. Also, within the government-wide statement of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension and OPEB plans. These amounts are deferred and included in pension and OPEB 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 and OPEB plan (active and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and interest, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

Unearned Revenue – This liability represents resources that have been received but not yet earned.

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, 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses in the year they are incurred.

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.

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Total OPEB Liability – The total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

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.

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.

Net Position and Fund Balance – Equity in the government-wide and proprietary fund 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 component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the preceding two categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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.

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, 2024, the unassigned General Fund Balance of \$8,360,693 represented 21.7% of the 2024 General Fund budget basis expenditures and transfers out. 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 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.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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 unavailable 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.

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

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 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by 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, cash equivalents, and restricted cash at June 30, 2024:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	\$ 13,470,068	\$ 4,721,948	\$ 1,279	\$ 18,193,295
Cash Equivalents	2,440,624	-	-	2,440,624
Restricted Cash	127,192	-	-	127,192
	<u>\$ 16,037,884</u>	<u>\$ 4,721,948</u>	<u>\$ 1,279</u>	<u>\$ 20,761,111</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	\$ 20,761,111
Less: Cash Equivalents (STIF)	<u>(2,440,624)</u>
	<u>\$ 18,320,487</u>

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$18,320,487 and the bank balance was \$18,954,928. Of the bank balance, Federal Depository Insurance Corporation insured \$5,475,215.

As of June 30, 2024, \$13,479,713 of the Town’s bank balance of \$18,954,928 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,056,742
Uninsured and collateral held by pledging bank’s Trust department not in the Town’s name	<u>1,422,971</u>
	<u>\$ 13,479,713</u>

Cash Equivalents

At June 30, 2024, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$2,440,624. STIF is rated AAAM by Standard & Poor’s and has an average maturity of under 60 days.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Investments

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.

Below is a summary of the interest rate risk and credit risk of investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-5	6-10
Money Market Mutual Funds	*	\$ 99,879	N/A	N/A	N/A
Fixed Income Mutual Funds	*	1,519,389	N/A	N/A	N/A
Equity Mutual Funds	*	3,602,788	N/A	N/A	N/A
Exchange Traded Funds	*	4,184,566	N/A	N/A	N/A
Total Investments		<u>\$ 9,406,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Credit rating is not required for disclosure purposes.

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

Investment Type	June 30, 2024	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 Mutual Funds	\$ 99,879	\$ 99,879	\$ -	\$ -
Fixed Income Mutual Funds	1,519,389	1,519,389	-	-
Equity Mutual Funds	3,602,788	3,602,788	-	-
Exchange Traded Funds	4,184,566	4,184,566	-	-
	<u>\$ 9,406,622</u>	<u>\$ 9,406,622</u>	<u>\$ -</u>	<u>\$ -</u>

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. As of June 30, 2024, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5% or more of the total investments reported.

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

NOTE 4 – 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	Hinsdale Renovation Project	Capital Improvements Fund	Waterworks	Sewer	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	\$ 734,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734,841
Interest, Liens, and Fees	222,957	-	-	-	20,663	24,431	-	268,051
Sewer assessment	-	-	-	-	-	-	26,769	26,769
Intergovernmental	29,569	1,394,091	1,761,681	2,597,346	-	-	640,236	6,422,923
Loans *	-	-	-	-	-	-	1,030,566	1,030,566
Rents and assessments	-	-	-	-	97,642	118,047	-	215,689
Accounts	243,231	-	-	-	-	-	-	243,231
Gross receivables	<u>1,230,598</u>	<u>1,394,091</u>	<u>1,761,681</u>	<u>2,597,346</u>	<u>118,305</u>	<u>142,478</u>	<u>1,697,571</u>	<u>8,942,070</u>
Less allowance for uncollectibles:								
Property taxes	(50,000)	-	-	-	-	-	-	(50,000)
Interest, Liens, and Fees	(23,000)	-	-	-	-	-	-	(23,000)
Rents and assessments	-	-	-	-	(15,906)	(8,205)	-	(24,111)
Total allowance	<u>(73,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,906)</u>	<u>(8,205)</u>	<u>-</u>	<u>(97,111)</u>
Net Total Receivables	<u>\$ 1,157,598</u>	<u>\$ 1,394,091</u>	<u>\$ 1,761,681</u>	<u>\$ 2,597,346</u>	<u>\$ 102,399</u>	<u>\$ 134,273</u>	<u>\$ 1,697,571</u>	<u>\$ 8,844,959</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 unearned revenue reported in the governmental funds were as follows:

	Governmental Funds
Capital Improvements Fund:	
Advances on Grants	\$ 41,662
ARPA Fund:	
Advances on Grants	1,322,072
Nonmajor Governmental Funds:	
Advances on Grants	<u>868,333</u>
Total Unearned Revenue for Governmental Funds	<u><u>\$ 2,232,067</u></u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended June 30, 2024, consisted of:

<i>Governmental Activities</i>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 25,839,045	\$ -	\$ -	\$ 25,839,045
Construction in Progress	<u>6,270,170</u>	<u>4,179,755</u>	<u>(4,469,328)</u>	<u>5,980,597</u>
Total capital assets, not being depreciated	<u>32,109,215</u>	<u>4,179,755</u>	<u>(4,469,328)</u>	<u>31,819,642</u>
Capital assets, being depreciated:				
Buildings	21,274,454	-	-	21,274,454
Improvements	4,800,218	2,332,817	-	7,133,035
Machinery & Equipment	12,849,447	916,887	(276,256)	13,490,078
Infrastructure	35,077,113	2,517,352	-	37,594,465
Right of Use SBITAs	228,570	-	-	228,570
Right of Use Equipment	<u>92,105</u>	<u>-</u>	<u>-</u>	<u>92,105</u>
Total capital assets, being depreciated	<u>74,321,907</u>	<u>5,767,056</u>	<u>(276,256)</u>	<u>79,812,707</u>
Less accumulated depreciation for:				
Buildings	3,638,197	379,440	-	4,017,637
Improvements	1,947,602	152,191	-	2,099,793
Machinery & Equipment	8,760,142	540,352	(243,067)	9,057,427
Infrastructure	23,114,054	800,625	-	23,914,679
Right of Use SBITAs	52,676	55,647	-	108,323
Right of Use Equipment	<u>42,094</u>	<u>42,095</u>	<u>-</u>	<u>84,189</u>
Total accumulated depreciation	<u>37,554,765</u>	<u>1,970,350</u>	<u>(243,067)</u>	<u>39,282,048</u>
Total capital assets, being depreciated	<u>36,767,142</u>	<u>3,796,706</u>	<u>(33,189)</u>	<u>40,530,659</u>
<i>Governmental Activities capital assets, net</i>	<u>\$ 68,876,357</u>	<u>\$ 7,976,461</u>	<u>\$ (4,502,517)</u>	<u>\$ 72,350,301</u>

Depreciation and amortization expense were charged to functions/programs of the Town as follows:

Governmental Activities:	
General Government	\$ 249,684
Public Safety	295,037
Public Works	957,814
Parks and Recreation	52,105
Education	<u>415,710</u>
Total Depreciation and Amortization Expense	
Governmental Activities	<u>\$ 1,970,350</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Capital asset activity for the business-type activities for the year ended June 30, 2024, consisted of:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Business-Type Activities:</i>				
Capital assets not being depreciated				
Land	\$ 85,476	\$ -	\$ -	\$ 85,476
Construction in Progress	1,567,470	1,994,808	(8,800)	3,553,478
Total capital assets, not being depreciated	1,652,946	1,994,808	(8,800)	3,638,954
Capital assets, being depreciated				
Buildings	35,540,811	-	-	35,540,811
Improvements	3,112,280	225,898	-	3,338,178
Machinery & Equipment	6,874,935	345,345	-	7,220,280
Infrastructure	18,743,975	-	-	18,743,975
Total capital assets, being depreciated	64,272,001	571,243	-	64,843,244
Less accumulated depreciation for:				
Buildings	21,903,250	710,816	-	22,614,066
Improvements	1,931,657	56,373	-	1,988,030
Machinery & Equipment	5,919,656	98,386	-	6,018,042
Infrastructure	9,359,703	365,235	-	9,724,938
Total accumulated depreciation	39,114,266	1,230,810	-	40,345,076
Total capital assets, being depreciated, net	25,157,735	(659,567)	-	24,498,168
<i>Business-Type Activities capital assets, net</i>	<u>\$ 26,810,681</u>	<u>\$ 1,335,241</u>	<u>\$ (8,800)</u>	<u>\$ 28,137,122</u>

Depreciation and amortization expense were charged to functions/programs as follows:

<i>Business-Type Activities:</i>	
Waterworks	\$ 540,063
Sewer	690,747
Total Depreciation and Amortization Expense	
Business-Type Activities	<u>\$ 1,230,810</u>

Construction Commitments

The Town has several active construction projects as of June 30, 2024. At year-end, the Town's commitments are as follows:

	Spent to Date	Remaining Commitment
Hinsdale School Renovation	\$ 15,948,160	\$ 520,693
Pearson School Boiler Replacement	54,440	375,000
Elm Street Reconstruction	-	1,544,262
Case Avenue Bridge/Road Rehab	3,292,113	229,812
Smith Hill Road Culvert	29,016	135,689
Hubbard Street	-	1,130,430
Crystal Lake Storage Tank	1,054,121	1,492,777
Wallens Hill Storage Tank	1,175,761	1,224,677
	<u>\$ 21,553,611</u>	<u>\$ 6,653,340</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2024, the outstanding balances between funds were:

Receivable Fund	Payable Fund	Total
Governmental Funds:		
General Fund	W&S Capital Improvements Fund	\$ 3,357,418
	Hinsdale Renovation Project	1,861,363
	Nonmajor Governmental Funds	56,413
	Waterworks - Proprietary Fund	65,004
	Sewer - Proprietary Fund	85,226
		<u>5,425,424</u>
ARPA Grant Fund	General Fund	<u>612,513</u>
Capital Improvements Fund	General Fund	3,622,213
	ARPA Grant Fund	588,556
		<u>4,210,769</u>
W&S Capital Improvements Fund	Waterworks - Proprietary Fund	1,331,164
	Sewer - Proprietary Fund	682,974
		<u>2,014,138</u>
Nonmajor Governmental Funds	General Fund	1,600,017
	Capital Improvements Fund	46,716
		<u>1,646,733</u>
	Total Governmental Funds	<u>13,909,577</u>
Proprietary Funds:		
Waterworks	General Fund	139,616
	Sewer - Proprietary Fund	145,844
		<u>285,460</u>
Sewer	General Fund	124,572
	Total Proprietary Funds	<u>410,032</u>
	Total Interfund Balances	<u>\$ 14,319,609</u>

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2024, were as follows:

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Transfers In	Transfers Out	Amount
Governmental Funds:		
General Fund	Sewer - Proprietary Fund	\$ 28,563
	Nonmajor Governmental Funds	674,629
		<u>703,192</u>
W&S Capital Improvements Fund	Waterworks - Proprietary Fund	421,000
	Sewer - Proprietary Fund	326,010
		<u>747,010</u>
Capital Improvements Fund	General Fund	2,058,837
	ARPA Grant Fund	207,000
	Nonmajor Governmental Funds	240,163
		<u>2,506,000</u>
Nonmajor Governmental Funds	General Fund	50,560
	Nonmajor Governmental Funds	41,716
		<u>92,276</u>
	Total Governmental Funds	<u>4,048,478</u>
Proprietary Funds:		
Sewer Fund	Nonmajor Governmental Funds	6,642
	Total Transfers	<u>\$ 4,055,120</u>

NOTE 7 – LONG-TERM LIABILITIES

Governmental Activities

Changes in Long-Term Liabilities

Governmental Activities long-term liabilities for the year ended June 30, 2024, were as follows:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	\$ 11,916,000	\$ -	\$ 991,000	\$ 10,925,000	\$ 575,000
Unamortized Premium	785,973	-	78,956	707,017	74,470
Total Bonds Payable	12,701,973	-	1,069,956	11,632,017	649,470
Equipment Financing Notes	204,425	-	29,675	174,750	31,660
Lease Liability	50,464	-	42,389	8,075	8,075
Subscription Liability	163,122	-	9,965	153,157	55,975
Compensated Absences	693,676	314,554	429,693	578,537	266,599
Heart and Hypertension	594,608	-	65,691	528,917	67,005
Net Pension Liability*	8,188,736	111,724	382,158	7,918,302	-
OPEB Liability	2,908,062	-	49,044	2,859,018	297,734
Total Governmental Activities Long-Term Liabilities	<u>\$ 25,505,066</u>	<u>\$ 426,278</u>	<u>\$ 2,078,571</u>	<u>\$ 23,852,773</u>	<u>\$ 1,376,518</u>

*See Note 14 – Adjustments/Restatements of beginning net pension liability.

Each governmental funds liability is liquidated by the respective fund to which it relates, primarily the General Fund.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. General obligation bonds outstanding as of June 30, 2024, consisted of the following:

Purpose	Date of Issue	Maturity Date	Interest Rate	Original Amount	Principal Outstanding June 30, 2024
General Purpose					
Road Bonds	4/5/2023	4/1/2043	4 - 5%	\$ 7,400,000	\$ 7,030,000
Education Purpose					
Hinsdale School	4/5/2023	4/1/2043	4 - 5%	4,100,000	3,895,000
				<u>\$ 17,816,000</u>	<u>\$ 10,925,000</u>

The annual debt service requirements of the Town's general obligation bonds are as follows:

Year(s)	Principal	Interest	Total
2025	\$ 575,000	\$ 477,250	\$ 1,052,250
2026	575,000	448,500	1,023,500
2027	575,000	419,750	994,750
2028	575,000	391,000	966,000
2029	575,000	362,250	937,250
2030-2034	2,875,000	1,397,250	4,272,250
2035-2039	2,875,000	805,000	3,680,000
2040-2044	2,300,000	230,000	2,530,000
	<u>\$ 10,925,000</u>	<u>\$ 4,531,000</u>	<u>\$ 15,456,000</u>

Equipment Financing Notes – Direct Borrowings

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

Year(s)	Principal	Interest	Total
2025	\$ 31,660	\$ 11,683	\$ 43,343
2026	33,776	9,567	43,343
2027	36,034	7,309	43,343
2028	38,444	4,899	43,343
2029	34,836	2,329	37,165
	<u>\$ 174,750</u>	<u>\$ 35,787</u>	<u>\$ 210,537</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Lease Liability

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 \$7,916 as of June 30, 2024. The future principal and interest lease payments as of June 30, 2024, are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,075	\$ 31	\$ 8,106

Subscription-Based Information Technology Arrangements Liability

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, 2024, SBITA assets and related accumulated amortization totaled \$228,570 and \$108,323, respectively. The future subscription payments under SBITA agreements as of June 30, 2024, are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 55,975	\$ 3,044	\$ 59,019
2026	57,495	1,525	59,020
2027	19,578	622	20,200
2028	20,109	90	20,199
	<u>\$ 153,157</u>	<u>\$ 5,281</u>	<u>\$ 158,438</u>

Bonds and Notes Authorized and Unissued

At June 30, 2024 there was \$36,817,397 authorized and unissued bonds and notes for costs related to capital projects. Of that total, \$12,109,925 is related to the renovations, improvements, and additions to the Mary P. Hinsdale Elementary School, \$7,407,472 is for costs related to replacements and improvements to water mains and water storage tanks, and \$17,300,000 is for costs related to various capital improvements to roadways, sidewalks, highland lake drainage systems, and the acquisition of fire apparatus.

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:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 58,064,805	\$ 24,330,000	\$ 33,734,805
Schools	116,129,610	16,004,925	100,124,685
Sewers	96,774,675	97,137	96,677,538
Urban Renewal	83,871,385	-	83,871,385
Pension Deficit	77,419,740	-	77,419,740

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$180,646,060.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Business-Type Activities

Changes in Long-Term Liabilities

Business-Type Activities long-term liabilities for the year ended June 30, 2024, were as follows:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Loans Payable	\$ 1,225,941	\$ -	\$ 67,026	\$ 1,158,915	\$ 83,907
Compensated Absences	169,249	77,242	93,175	153,316	83,904
Net Pension Liability*	611,657	-	58,929	552,728	-
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 2,006,847</u>	<u>\$ 77,242</u>	<u>\$ 219,130</u>	<u>\$ 1,864,959</u>	<u>\$ 167,811</u>

*See Note 14 – Adjustments/Restatements of beginning net pension liability.

Loans Payable

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, 2024, was \$97,137. The notes carry an interest rate of 2%.

The Town is currently participating in a capital project under the 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 in July 2022, and the balance as of June 30, 2024, was \$1,061,778. The notes carry an interest rate of 2%.

The annual debt service requirements of the loans payable are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 83,907	\$ 22,412	\$ 106,319
2026	85,600	20,719	106,319
2027	71,188	19,044	90,232
2028	49,797	17,910	67,707
2029	50,802	16,905	67,707
2030-2034	269,814	68,721	338,535
2035-2039	298,166	40,369	338,535
2040-2044	249,641	9,900	259,541
	<u>\$ 1,158,915</u>	<u>\$ 215,980</u>	<u>\$ 1,374,895</u>

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

NOTE 8 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2024 are as follows:

	General Fund	ARPA Fund	W&S Capital Improvements Fund	Hinsdale Renovation Project	Capital Improvements Fund	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	\$ -	\$ -	\$ -	\$ -	\$ -	1,315,800	\$ 1,315,800
ARPA Fund	-	28,631	-	-	-	-	28,631
Brownfields Pilot Program	-	-	-	-	-	157,223	157,223
Cemetery Association Trust Fund	-	-	-	-	-	669	669
Soldiers Monument Restoration Fund	-	-	-	-	-	20,875	20,875
Anti Blight Fund	-	-	-	-	-	307,464	307,464
Champs Fund	-	-	-	-	-	60,992	60,992
Winchester School Trust Fund	-	-	-	-	-	99,278	99,278
Winchester Bond Sinking Fund	-	-	-	-	-	18	18
Forest View Cemetery Chapel Trust	-	-	-	-	-	630	630
Student Activity Fund	-	-	-	-	-	11,695	11,695
Grants & Donations Fund	-	-	-	-	-	424,690	424,690
Sewer Assessment Fund	-	-	-	-	-	751	751
Forest View Cemetery Fund	-	-	-	-	-	7,719	7,719
Winchester Center Cemetery Fund	-	-	-	-	-	6,630	6,630
Winchester Memorial Park Fund	-	-	-	-	-	6,258	6,258
Jane A Nisbet Fund	-	-	-	-	-	7,534	7,534
Town Park Fund	-	-	-	-	-	93,535	93,535
Total Restricted	\$ -	\$ 28,631	\$ -	\$ -	\$ -	2,521,761	\$ 2,550,392
Committed to:							
Cafeteria Fund	\$ -	\$ -	\$ -	\$ -	\$ -	96,663	\$ 96,663
City Sidewalks Fund	-	-	-	-	-	859	859
Debt Service Fund	-	-	-	-	-	590,763	590,763
Capital Improvements	2,050,000	-	-	-	7,423,612	-	9,473,612
Total Committed	\$ 2,050,000	\$ -	\$ -	\$ -	\$ 7,423,612	\$ 688,285	\$ 10,161,897
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ 8,360,693	\$ -	\$ (791,146)	\$ (99,682)	\$ -	\$ (31,235)	\$ 7,438,630
Total Fund Balances	\$ 10,410,693	\$ 28,631	\$ (791,146)	\$ (99,682)	\$ 7,423,612	\$ 3,366,187	\$ 20,338,295

Deficit Fund Balances

The following funds have deficit fund balances as of June 30, 2024:

Fund	Amount
Water & Sewer Capital Improvement Fund	\$ (791,146)
Hinsdale Renovation Project	(99,682)
Elderly Enrichment Part I Fund	(31,235)

The Town plans to fund the deficits through future grant revenues, and/or transfers from the General Fund.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

NOTE 9 – PENSION PLANS

The Town accounts for activity relating to three defined benefit pension plans, (1) The Town Defined Benefit Pension Plan, 2) the Municipal Employees' Retirement System, and 3) the Connecticut Teacher's Retirement System. As of and for the year ended June 30, 2024, 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
Town Defined Benefit Pension Plan	\$ 4,137,185	\$ 261,938	\$ -	\$ -	\$ 519,426
Municipal Employees' Retirement System	4,333,845	1,915,706	541,437	-	472,257
Connecticut Teachers' Retirement System (Proportionate Share)	-	-	-	1,948,077	1,948,077
	<u>\$ 8,471,030</u>	<u>\$ 2,177,644</u>	<u>\$ 541,437</u>	<u>\$ 1,948,077</u>	<u>\$ 2,939,760</u>

Detailed disclosures of each plan follow.

Town 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.

Plan Administration - 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, Board of Education employees hired prior to June 2015, 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.

Plan membership consisted of the following at January 1, 2024, the date of the latest actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	59
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	13
	<u>82</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 (later of age 65 or 5 years of service); 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 rates. 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, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 10.49 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, 2024, were as follows:

Total pension liability	\$ 13,566,000
Plan fiduciary net position	9,428,815
Net pension liability	<u>\$ 4,137,185</u>

Plan fiduciary net position as a percentage of total pension liability 69.50%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement date of June 30, 2024:

Inflation	2.40%
Salary increases	2.40%
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Mortality assumptions: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to valuation date with Scale MP-2021.

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

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 below 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.

Target Allocation and Expected Rate of Return

June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*	Weighting
Domestic Large Cap	20.00%	4.30%	0.86%
Domestic Mid Cap	9.00%	4.80%	0.43%
Domestic Small Cap	6.00%	4.80%	0.29%
Developed International	10.00%	4.90%	0.49%
Emerging Markets	7.00%	7.80%	0.55%
Domestic Govt Fixed	10.00%	4.80%	0.48%
Global High Yield/Floating Rates	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 Strategies	10.00%	6.60%	0.66%
Commodities/Managed Futures	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 Real Returns are provided by Morgan Stanley. The returns are geometric means.

Changes in the Net Pension Liability

The components of the changes in the net pension liability for the year ended June 30, 2024, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2023	\$ 13,643,633	\$ 9,065,361	\$ 4,578,272
Changes for the year:			
Service Cost	111,396	-	111,396
Interest	892,570	-	892,570
Differences Between Expected and Actual Experience	(413)	-	(413)
Effect of Assumption Changes or Inputs	-	-	-
Employer Contributions	-	495,596	(495,596)
Member Contributions	-	48,322	(48,322)
Net Investment Income (Loss)	-	906,989	(906,989)
Benefit Payments	(1,081,186)	(1,081,186)	-
Administrative Expenses	-	(6,267)	6,267
Net Changes	(77,633)	363,454	(441,087)
Balance at June 30, 2024	\$ 13,566,000	\$ 9,428,815	\$ 4,137,185

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

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

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

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$ 5,372,886	\$ 4,137,185	\$ 3,070,259

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

For the year ended June 30, 2024, the Town recognized pension expense of \$519,426. As of June 30, 2024, the Town reported deferred inflows and outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	261,938	-
	\$ 261,938	\$ -

Amounts reported as deferred outflows and inflows of resources will be recognized as a component of pension expense in future years as follows:

Year ended June 30:

2025	\$ 46,073
2026	353,111
2027	(74,620)
2028	(62,626)
2029	-
Thereafter	-
	\$ 261,938

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Connecticut 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 the 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.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

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. 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%, nor more than 50%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

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, 2024, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$403,278. Covered payroll for the town for the year ended June 30, 2024, was approximately \$5,761,115.

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, 2024 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>20,346,677</u>
Total	<u>\$ 20,346,677</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2024, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2024, the Town recognized benefits expense and contribution revenue of \$1,887,886 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$1,948,077 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2023, 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 plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the State of Connecticut 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>
Global Equity	37.00%	6.80%
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%	6.10%
Real Estate	10.00%	6.20%
Infrastructure and Natural Resources	7.00%	7.70%

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: The Winchester police officers 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 noncontinuous service. Benefits are calculated on the basis of average final compensation and service to 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, who began employment prior to July 1, 1996, 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.

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.

Pre-Retirement Death Benefit: The Plan also offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

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. There is also an annual administrative fee per active and retired member.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2024, the Town reports a total liability of \$4,333,845 for government-wide financials for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2023, 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, 2023, the Town's proportion was 3.77%, which is a 0.29% decrease from the prior valuation.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

For the year ended June 30, 2024, the Town recognized pension expense in the government-wide financial statements of \$472,257. As of June 30, 2024, 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	\$ 466,077	\$ -
Net difference between projected and actual earnings	321,932	-
Difference between expected and actual experience	511,574	(48,725)
Changes in assumptions	560,399	-
Change in proportional share	55,724	(492,712)
Total	<u>\$ 1,915,706</u>	<u>\$ (541,437)</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 and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:

2025	\$ 218,248
2026	166,858
2027	401,068
2028	90,805
2029	31,213
Thereafter	-
	<u>\$ 908,192</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases, including inflation	3.00-9.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	7.00 Percent

Mortality rates were based on the PUB-2010 Mortality Tables set-forward one year (except Active Employees) are projected generationally with Scale MP-2021.

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, 2017 – June 30, 2022.

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:

Asset Class	Target Allocation	Long-Term Target Expected Real Rate of Return
Global Equity	37.00%	6.80%
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%	6.10%
Real Estate	10.00%	6.30%
Infrastructure & Natural Resources	7.00%	7.70%
	<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:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	<u>\$ 6,063,502</u>	<u>\$ 4,333,845</u>	<u>\$ 2,899,512</u>

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 45 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, 2024, was \$166,648. 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.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

NOTE 10 - 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, 2024, the plans had the following balances reported in the Town's government-wide financial statements:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Town of Winchester OPEB Plan	\$ 2,859,018	\$ 987,313	\$ 1,215,961	\$ -	\$ 106,721
Connecticut Teachers' Retirement System (Proportionate Share)	-	-	-	(224,563)	(224,563)
	<u>\$ 2,859,018</u>	<u>\$ 987,313</u>	<u>\$ 1,215,961</u>	<u>\$ (224,563)</u>	<u>\$ (117,842)</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 60 with 20 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. 75.

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, 2024, one current police retiree has medical coverage with the Town until age 65 per a specific settlement agreement. The employee pays 17% of the premium and the Town pays 83% of the premium. The Town also pays \$1,000 annually to the retiree's Health Savings Account.

Employees Covered by Benefit Terms - As of July 1, 2022, the date of the latest valuation, 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 \$2,859,018 was measured as of June 30, 2024, 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 June 30, 2024 measurement was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022
Amortization Method	Level Percentage of Salary
Salary Increases	2.40%
Discount Rate	3.93% (Prior 3.65%) Which is based on the 20-bond GO index effective as of June 30, 2024.
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 6/30/23	\$ 2,908,062
Changes for the year:	
Service Cost	93,479
Interest	104,171
Difference Between Expected and Actual Experience	155,452
Changes of Benefit Terms	-
Changes in Assumptions	(104,412)
Benefit Payments	(297,734)
Net Changes	(49,044)
Balance at 6/30/24	\$ 2,859,018

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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	Current Discount Rate 3.93%	1% Decrease 2.93%	1% Increase 4.93%
Total OPEB Liability as of June 30, 2024	\$ 2,859,018	\$ 3,263,066	\$ 2,532,048

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, 2024	\$ 2,859,018	\$ 2,468,245	\$ 3,346,056

OPEB Expense - For the year ended June 30, 2024, the Town recognized OPEB expense of \$106,721.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Deferred Outflows and Inflows of Resources - As of June 30, 2024, deferred outflows and inflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 549,191	\$ (622,004)
Changes of assumptions	438,122	(593,957)
Total	<u>\$ 987,313</u>	<u>\$ (1,215,961)</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:

2025	\$ (67,829)
2026	(67,829)
2027	(67,829)
2028	(66,477)
2029	(54,314)
Thereafter	95,630
	<u>\$ (228,648)</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. 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. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

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 \$25,690.

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, 2023, 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	3.65%
Prior Measurement Date	3.54%

The projected fiduciary net position is projected to be depleted in 2028.

Single equivalent interest rate

Measurement Date	3.64%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.53%, 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.
----------	--

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%	0.77%	1.09%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.25%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.64%. 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, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023, 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 2028 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	\$ 1,620,449	\$ 1,906,204	\$ 2,294,434

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 (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Net OPEB liability	\$ 2,311,171	\$ 1,906,204	\$ 1,587,042

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2024, 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>1,906,204</u>
Total	<u>\$ 1,906,204</u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2024, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the Town recognized OPEB expense and revenue of \$25,690 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$224,563) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 11 – 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.

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.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

Heart and Hypertension

A schedule of changes in the claims liability for heart and hypertension judgments for the years ended June 30, 2024, 2023, and 2022, is presented below:

Year Ended	Beginning Accrued Liability	Claims and Changes in Estimates	Claims Paid	Ending Accrued Liability
2024	\$ 594,608	\$ -	\$ (65,691)	\$ 528,917
2023	659,957	-	(65,349)	594,608
2022	725,306	-	(65,349)	659,957

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Federal Awards and State Financial Assistance

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

Litigation, Claims, and Assessments

The Town is currently a defendant in a number of lawsuits. Management and legal counsel believe that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the Town.

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.

NOTE 13 –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. 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.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

GASB Statement No. 102 – *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2024.

GASB Statement No. 103 – *Financial Reporting Model Improvements* – The objective of this Statement is to provide key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2025.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2025.

NOTE 14 – ACCOUNTING CHANGES AND ERROR CORRECTIONS

Correction of an Error in Previously Issued Financial Statements

For the year ended June 30, 2024, the Town determined there was an error in the deferred outflows and inflows of resources related to the pension and OPEB plans displayed in the government-wide financial statements. The Town also determined that there was an error in the allocation of the capital assets between the Waterworks and Sewer Funds. The effects of correcting those errors is shown in the table below as items (A) and (B).

Change in Accounting Estimate

For the year ended June 30, 2024, the Town changed its methodology for allocating the Net Pension Liability and the related Deferred Outflows and Inflows of Resources to the Business-Type Activities as well as the Waterworks and Sewer Funds. The Town reviewed its methodology for making this allocation and believes the current estimation, which is based on the valuation reports prepared by the Town actuary, is more accurate. The change is being applied prospectively, beginning July 1, 2023. The effect of this accounting estimate change is shown in the table below as item (C).

Adjustments and Restatements of Beginning Balances

The effect of the error corrections and changes in accounting estimates on the beginning fund balances and net position are described in the table below:

	Governmental Activities	Business-Type Activities	Waterworks	Sewer
Fund Balance/Net Position as Reported June 30, 2023	\$ 66,109,348	\$ 29,117,438	\$ 16,361,613	\$ 12,755,825
(A) Correct Deferred Outflows/Inflows Balances				
Deferred Outflows - OPEB	(18,296)	-	-	-
Deferred Inflows - Pension	896,329	-	-	-
Deferred Inflows - OPEB	534,014	-	-	-
(B) Correct Waterworks and Sewer Capital Assets				
Assets Being Depreciated, Net	-	-	421,600	(421,600)
(C) Change in Accounting Estimate				
Net Pension Liability	611,657	(611,657)	(320,479)	(291,178)
Deferred Outflows - Pension	(97,227)	97,227	50,942	46,285
Deferred Inflows - Pension	117	(117)	(61)	(56)
Fund Balance/Net Position as Adjusted July 1, 2023	<u>\$ 68,035,942</u>	<u>\$ 28,602,891</u>	<u>\$ 16,513,615</u>	<u>\$ 12,089,276</u>

Required Supplementary Information

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2024

Page 1 of 3

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
REVENUES				
Taxes				
Property Taxes	\$ 26,581,034	\$ 26,581,034	\$ 26,597,673	\$ 16,639
Property Taxes - Prior Years	300,000	300,000	247,233	(52,767)
Supplemental Tax	200,000	200,000	258,197	58,197
Interest and Lien Fees	168,000	168,000	251,211	83,211
Total Taxes	<u>27,249,034</u>	<u>27,249,034</u>	<u>27,354,314</u>	<u>105,280</u>
Intergovernmental Revenue				
State of Connecticut - General Government	1,194,978	1,194,978	1,487,198	292,220
State of Connecticut - Board of Education	7,823,991	7,823,991	7,738,905	(85,086)
Total Intergovernmental Revenues	<u>9,018,969</u>	<u>9,018,969</u>	<u>9,226,103</u>	<u>207,134</u>
Other Local Revenues				
Licenses, Fees and Permits				
Cemeteries	35,000	35,000	27,500	(7,500)
Town Clerk	250,000	250,000	206,090	(43,910)
Charges for Services				
In Lieu of Taxes - Housing Authority	39,000	39,000	40,386	1,386
Building Department	152,000	152,000	186,837	34,837
Planning and Zoning	10,000	10,000	2,564	(7,436)
Inland Wetlands Commission	3,000	3,000	5,694	2,694
Zoning Board of Appeals	6,000	6,000	5,406	(594)
Police Department	13,650	13,650	16,141	2,491
Fire and Ambulance	56,200	56,200	44,422	(11,778)
Sale of Land and Equipment	-	-	213,757	213,757
Park and Recreation Department	20,000	20,000	20,000	-
Sewer-Water Administration	325,000	325,000	325,000	-
Sewer Debt Service	67,175	67,175	67,175	-
Other	61,000	61,000	96,745	35,745
Total Other Local Revenues	<u>1,038,025</u>	<u>1,038,025</u>	<u>1,257,717</u>	<u>219,692</u>
Investment Income	<u>60,000</u>	<u>60,000</u>	<u>702,916</u>	<u>642,916</u>
Total Revenues	<u>37,366,028</u>	<u>37,366,028</u>	<u>38,541,050</u>	<u>1,175,022</u>
Other Financing Sources				
Encumbrance Credits	-	-	1,900	1,900
Transfers In	674,629	674,629	674,629	-
Fund Balance - For Capitals	1,093,346	1,093,346	-	(1,093,346)
Total Other Financing Sources	<u>1,767,975</u>	<u>1,767,975</u>	<u>676,529</u>	<u>(1,091,446)</u>
Total Revenues and Other Financing Sources	<u>\$ 39,134,003</u>	<u>\$ 39,134,003</u>	<u>\$ 39,217,579</u>	<u>\$ 83,576</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2024

Page 2 of 3

	Budgeted Amounts		Actual	
	Original	Amended	Budgetary	Variance
			Basis	
EXPENDITURES				
General Government				
Board of Selectmen	\$ 26,579	\$ 26,579	\$ 25,850	\$ 729
Town Clerk	173,329	173,329	161,280	12,049
Treasurer	47,231	47,231	46,981	250
Accounting Department	379,654	373,154	356,721	16,433
Election Expenditures	90,416	88,316	72,000	16,316
Insurance	445,000	420,000	419,911	89
Town Counsel	108,000	133,000	131,013	1,987
Town Manager	218,760	217,272	207,431	9,841
Assessor	174,098	255,348	242,233	13,115
Board of Assessment Appeal	2,500	2,570	2,570	-
Tax Collector	147,900	147,830	144,349	3,481
Planning and Zoning	2,840	2,840	1,730	1,110
Building - Town Hall	241,956	244,056	210,535	33,521
Inland Wetland Commission	7,095	5,595	2,548	3,047
Zoning Board of Appeals	1,800	1,800	1,099	701
Purchasing	33,473	39,973	39,966	7
Probate Court	11,000	12,650	12,266	384
Senior Citizens	203,045	203,045	178,751	24,294
NWCT Transit District	64,744	64,744	54,923	9,821
Maintenance of Lakes/Ponds	52,238	64,463	64,453	10
Economic Development Commission	10,000	10,000	5,453	4,547
Cemeteries	105,649	105,649	104,691	958
Soldiers Monument Commission	6,280	2,520	2,167	353
Land Use	351,083	352,583	352,229	354
Human Resources	19,600	32,538	32,444	94
Farmington River Watershed	-	-	-	-
Other Town Properties	42,383	42,383	36,116	6,267
Friends of Main Street	9,000	9,000	9,000	-
Total General Government	2,975,653	3,078,468	2,918,710	159,758
Library	248,220	248,220	248,220	-
Miscellaneous	419,631	419,631	416,312	3,319
Waste Disposal and Recycling	215,188	215,188	215,188	-
Parks and Recreation	414,921	413,696	390,485	23,211
Contingency	20,000	20,000	-	20,000

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2024

Page 3 of 3

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
EXPENDITURES (CONTINUED)				
Public Safety				
Police Department	\$ 2,476,477	\$ 2,403,227	\$ 2,314,631	\$ 88,596
Fire Department	419,811	393,520	377,635	15,885
Animal Control	46,720	46,720	38,383	8,337
Emergency Management	13,701	13,651	8,247	5,404
Winchester Fire Department	48,000	48,000	47,488	512
Ambulance	366,410	366,460	366,427	33
Social Services	74,975	74,975	36,909	38,066
Dispatch	329,913	329,913	329,435	478
Total Public Safety	<u>3,776,007</u>	<u>3,676,466</u>	<u>3,519,155</u>	<u>157,311</u>
Public Works				
Public Works Department/Highways	2,046,780	2,035,780	1,930,515	105,265
Street Lighting	137,617	137,617	137,353	264
Total Public Works	<u>2,184,397</u>	<u>2,173,397</u>	<u>2,067,868</u>	<u>105,529</u>
Health				
Department of Health	119,973	119,973	117,980	1,993
Youth and Family Services	30,539	30,539	30,539	-
Total Health	<u>150,512</u>	<u>150,512</u>	<u>148,519</u>	<u>1,993</u>
Education				
Board of Education	21,504,910	21,504,910	21,503,072	1,838
School Crossing Guards	45,000	45,000	42,286	2,714
Town Support for Education	697,272	697,272	697,272	-
Total Education	<u>22,247,182</u>	<u>22,247,182</u>	<u>22,242,630</u>	<u>4,552</u>
Employee Benefits	<u>2,903,394</u>	<u>2,890,294</u>	<u>2,844,374</u>	<u>45,920</u>
Debt Service				
Principal Retirement	963,000	963,000	963,000	-
Interest	508,177	508,177	508,177	-
Water and Sewer Principal Retirement	64,275	64,275	64,275	-
Water and Sewer Interest	2,900	2,900	2,900	-
Total Debt Service	<u>1,538,352</u>	<u>1,538,352</u>	<u>1,538,352</u>	<u>-</u>
Total Expenditures	<u>37,093,457</u>	<u>37,071,406</u>	<u>36,549,813</u>	<u>521,593</u>
Other Financing Uses				
Transfer Out to Capital Projects	2,040,546	2,062,597	2,062,597	-
Total Other Financing Uses	<u>2,040,546</u>	<u>2,062,597</u>	<u>2,062,597</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>39,134,003</u>	<u>39,134,003</u>	<u>38,612,410</u>	<u>521,593</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,169</u>	<u>\$ 605,169</u>

See accountant's report.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 111,396	\$ 154,592	\$ 166,246	\$ 191,460	\$ 210,086	\$ 183,346	\$ 193,304	\$ 425,381	\$ 356,834	\$ 373,253
Interest	892,570	897,343	929,105	933,662	908,041	894,756	912,280	662,663	786,103	765,560
Changes in Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(413)	(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>(1,081,186)</u>	<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>
Net Change in Total Pension Liability	<u>(77,633)</u>	<u>(16,483)</u>	<u>(403,298)</u>	<u>(13,446)</u>	<u>853,162</u>	<u>631,923</u>	<u>610,149</u>	<u>(4,617,134)</u>	<u>1,743,335</u>	<u>439,012</u>
Total Pension Liability - Beginning	<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>
Total Pension Liability - Ending (a)	<u>\$ 13,566,000</u>	<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>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 495,596	\$ 450,272	\$ 725,000	\$ 653,248	\$ 614,795	\$ 552,800	\$ 739,680	\$ 801,260	\$ 598,100	\$ 448,806
Contributions - Member	48,322	58,792	40,003	78,884	77,769	82,165	84,438	104,223	118,366	88,137
Net Investment Income	906,909	647,265	(1,429,940)	2,113,031	75,518	415,037	555,677	767,942	(228,997)	222,132
Benefit Payments, Including Refunds of Member Contributions	(1,081,106)	(1,058,762)	(945,735)	(887,091)	(939,446)	(882,771)	(822,486)	(840,333)	(770,208)	(699,299)
Administrative Expenses	<u>(6,267)</u>	<u>(6,295)</u>	<u>(6,921)</u>	<u>(6,404)</u>	<u>(6,012)</u>	<u>(5,862)</u>	<u>(5,714)</u>	<u>(5,126)</u>	<u>(4,927)</u>	<u>(2,174)</u>
Net Change in Pension Fiduciary Net Position	<u>363,454</u>	<u>91,272</u>	<u>(1,617,593)</u>	<u>1,951,668</u>	<u>(177,376)</u>	<u>161,369</u>	<u>551,595</u>	<u>827,966</u>	<u>(287,666)</u>	<u>57,602</u>
Plan Fiduciary Net Position - Beginning	<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>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,428,815</u>	<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>
Net Pension Liability - Ending: (a) - (b)	<u>\$ 4,137,185</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	66.44%	65.70%	75.31%	61.38%	66.68%	68.74%	67.64%	43.84%	50.92%
Covered Payroll	\$ 967,473	\$ 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
Net Pension Liability as a Percentage of Covered Payroll	427.63%	363.65%	307.62%	211.28%	321.32%	260.56%	214.98%	169.96%	413.44%	306.79%

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Town Defined Benefit Pension Plan
Schedule of Contributions
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Employer Contribution (ADEC)	\$ 490,925	\$ 481,124	\$ 615,335	\$ 651,693	\$ 604,649	\$ 479,574	\$ 532,614	\$ 520,449	\$ 460,938	\$ 525,230
Contributions in Relation to the ADEC	<u>495,596</u>	<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>
Contribution Deficiency (Excess)	<u>\$ (4,671)</u>	<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>
Covered Payroll	967,473	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
Contributions as a Percentage of Covered Payroll	51.23%	35.77%	47.59%	39.75%	36.33%	32.69%	40.40%	35.12%	26.53%	18.88%

Notes to Schedule

Actuarially determined contribution rates are calculated as of January 1, one fiscal year prior to the fiscal year in which contributions are reported. Actuarially determined contributions for fiscal year ending June 30, 2024 were determined from the January 1, 2023 valuation.

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.
Inflation	2.40% increase per year
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

Town Defined Benefit Pension Plan

Schedule of Investment Returns

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	10.49%	7.47%	-13.72%	25.14%	0.88%	4.91%	6.98%	10.65%	-3.13%	3.03%

See accountant's report.

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

Schedule of Changes in the Net Pension Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Percentage of Collective Net Pension Liability	3.769%	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>\$ 4,333,845</u>	<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>\$ 2,019,830</u>	<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	214.56%	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	69.54%	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

Schedule of Employer Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's Contractually Required Contribution	\$ 511,972	\$ 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>511,972</u>	<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>\$ -</u>	<u>\$ 32,117</u>	<u>\$ -</u>	<u>\$ (28,378)</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	2,019,830	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	25.35%	22.84%	20.96%	19.98%	17.73%	14.17%	19.11%	18.51%	22.27%	20.72%

Notes to Schedule

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Single Equivalent Amortization Period	Blended 24.3 to 24.4 years depending on Tier
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary Increases	3.0%-9.5%, including inflation
Investment rate of return	7.00% net of investment expense

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Other Post Employment Benefits (OPEB) Plan Schedule of Changes in Total OPEB Liability Last Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 93,479	\$ 74,275	\$ 92,514	\$ 63,363	\$ 47,018	\$ 64,139	\$ 64,036
Interest	104,171	94,387	70,767	62,481	85,500	139,182	132,053
Changes in Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	155,452	177,584	19,725	327,637	6,202	(1,286,990)	(18,120)
Changes of Assumptions	(104,412)	97,757	(575,734)	125,441	398,638	82,678	(129,193)
Benefit Payments	<u>(297,734)</u>	<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	(49,044)	190,276	(538,362)	406,647	385,170	(1,133,679)	(100,691)
Total OPEB Liability - Beginning	<u>2,908,062</u>	<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	<u>\$ 2,859,018</u>	<u>\$ 2,908,062</u>	<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>
Covered-Employee Payroll	\$ 9,818,103	\$ 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	29.12%	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.

Notes to Schedule

Measurement Date	June 30, 2024
Valuation Date	July 1, 2022
Inflation Rate	2.40%
Discount Rate	3.93% (Prior 3.65%)
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.)

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

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
State Teacher's Retirement System
Proportionate Share of Net Pension Liability
Last Ten Fiscal Years

Schedule of Proportionate Share of Net Pension Liability

	2024	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%	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	20,346,677	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>\$ 20,346,677</u>	<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>\$ 5,761,115</u>	<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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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	3.00% - 6.50% average, including inflation
Investment rate of return	6.90% net of investment related expense

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
Last Seven Fiscal Years*

Schedule of Proportionate Share of Net OPEB Liability

	2024	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%	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	1,906,204	1,935,543	1,915,521	3,311,234	3,266,243	3,228,211	3,799,976
Total	\$ 1,906,204	\$ 1,935,543	\$ 1,915,521	\$ 3,311,234	\$ 3,266,243	\$ 3,228,211	\$ 3,799,976
Town's covered-employee payroll	\$ 5,761,115	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over an open 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%

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

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Notes to Required Supplementary Information

NOTE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS – GENERAL FUND

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 change 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, 2024:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 38,541,050	\$ 36,549,813	\$ (1,386,068)
"On-behalf" payments - State Teachers Retirement Fund	1,913,576	1,913,576	-
Adjustment for Encumbrances	-	7,993	(1,900)
Other Reclassifications	(213,757)	(46,800)	166,957
BOE Nonlapsing Fund Expenditures	-	565,530	-
Reclass Water/Sewer Debt Service	<u>(67,175)</u>	<u>(38,612)</u>	<u>28,563</u>
GAAP Basis	<u>\$ 40,173,694</u>	<u>\$ 38,951,500</u>	<u>\$ (1,192,448)</u>

Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specific purposes. Nonmajor special revenue funds include the following:

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.

Nonmajor Governmental Funds (Continued)

SPECIAL REVENUE FUNDS (CONTINUED)

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

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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

Page 1 of 3

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2024

	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
Assets									
Cash and Cash Equivalents	\$ -	\$ 6,177	\$ 268,822	\$ 158,223	\$ 859	\$ 113,935	\$ 669	\$ 17,115	\$ -
Receivables, Net	-	81,490	1,030,566	-	-	51,780	-	-	-
Other Assets	-	3,564	-	-	-	-	-	-	-
Due from Other Funds	-	14,518	16,412	-	-	-	-	3,760	307,464
Total Assets	<u>\$ -</u>	<u>\$ 105,749</u>	<u>\$ 1,315,800</u>	<u>\$ 158,223</u>	<u>\$ 859</u>	<u>\$ 165,715</u>	<u>\$ 669</u>	<u>\$ 20,875</u>	<u>\$ 307,464</u>
Liabilities									
Accounts Payable and Accrued Items	\$ -	\$ 9,086	\$ -	\$ 1,000	\$ -	\$ 74,892	\$ -	\$ -	\$ -
Unearned Revenue	-	-	-	-	-	92,410	-	-	-
Due to Other Funds	-	-	-	-	-	29,648	-	-	-
Total Liabilities	<u>-</u>	<u>9,086</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>196,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources									
Unavailable Revenue:									
Sewer Assessment Charges	-	-	-	-	-	-	-	-	-
Fund Balances									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	1,315,800	157,223	-	-	669	20,875	307,464
Committed	-	96,663	-	-	859	-	-	-	-
Unassigned	-	-	-	-	-	(31,235)	-	-	-
Total Fund Balances	<u>-</u>	<u>96,663</u>	<u>1,315,800</u>	<u>157,223</u>	<u>859</u>	<u>(31,235)</u>	<u>669</u>	<u>20,875</u>	<u>307,464</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 105,749</u>	<u>\$ 1,315,800</u>	<u>\$ 158,223</u>	<u>\$ 859</u>	<u>\$ 165,715</u>	<u>\$ 669</u>	<u>\$ 20,875</u>	<u>\$ 307,464</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Page 2 of 3

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	SPECIAL REVENUE FUNDS							
	Champs Fund	Winchester School Trust Fund	Winchester Bond Sinking Fund	Forest View Cemetery Chapel Trust Fund	Student Activity Fund	Grants & Donations Fund	Federal and State Education Fund	Sewer Assessment Fund
Assets								
Cash and Cash Equivalents	\$ -	\$ 99,278	\$ 18	\$ 630	\$ 11,695	\$ 91,493	\$ -	\$ -
Receivables, Net	-	-	-	-	-	371,372	135,594	26,769
Other Assets	-	-	-	-	-	-	-	-
Due from Other Funds	60,992	-	-	-	-	46,716	606,108	-
Total Assets	\$ 60,992	\$ 99,278	\$ 18	\$ 630	\$ 11,695	\$ 509,581	\$ 741,702	\$ 26,769
Liabilities								
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,905	\$ -	\$ -
Unearned Revenue	-	-	-	-	-	34,221	741,702	-
Due to Other Funds	-	-	-	-	-	26,765	-	-
Total Liabilities	-	-	-	-	-	84,891	741,702	-
Deferred Inflows of Resources								
Unavailable Revenue:								
Sewer Assessment Charges	-	-	-	-	-	-	-	26,018
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	60,992	99,278	18	630	11,695	424,690	-	751
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	60,992	99,278	18	630	11,695	424,690	-	751
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 60,992	\$ 99,278	\$ 18	\$ 630	\$ 11,695	\$ 509,581	\$ 741,702	\$ 26,769

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Page 3 of 3

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	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	\$ -	\$ 145,986	\$ 40,278	\$ 14,558	\$ 7,784	\$ 100,446	\$ 1,077,966
Receivables, Net	-	-	-	-	-	-	1,697,571
Other Assets	-	-	-	-	-	-	3,564
Due from Other Funds	590,763	-	-	-	-	-	1,646,733
Total Assets	<u>\$ 590,763</u>	<u>\$ 145,986</u>	<u>\$ 40,278</u>	<u>\$ 14,558</u>	<u>\$ 7,784</u>	<u>\$ 100,446</u>	<u>\$ 4,425,834</u>
Liabilities							
Accounts Payable and Accrued Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,883
Unearned Revenue	-	-	-	-	-	-	868,333
Due to Other Funds	-	-	-	-	-	-	56,413
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,033,629</u>
Deferred Inflows of Resources							
Unavailable Revenue:							
Sewer Assessment Charges	-	-	-	-	-	-	26,018
Fund Balances							
Nonspendable	-	138,267	33,648	8,300	250	6,911	187,376
Restricted	-	7,719	6,630	6,258	7,534	93,535	2,521,761
Committed	590,763	-	-	-	-	-	688,285
Unassigned	-	-	-	-	-	-	(31,235)
Total Fund Balances	<u>590,763</u>	<u>145,986</u>	<u>40,278</u>	<u>14,558</u>	<u>7,784</u>	<u>100,446</u>	<u>3,366,187</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 590,763</u>	<u>\$ 145,986</u>	<u>\$ 40,278</u>	<u>\$ 14,558</u>	<u>\$ 7,784</u>	<u>\$ 100,446</u>	<u>\$ 4,425,834</u>

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, 2024

Page 1 of 3

	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	\$ -	\$ 547,594	\$ -	\$ -	\$ -	\$ 487,045	\$ -	\$ -	\$ -
Charges for Services	-	40,898	-	-	-	-	-	-	-
Interest and Dividends	3,917	-	2,589	1,458	-	-	-	120	-
Other Revenue	-	-	-	-	-	-	-	1,658	55,693
Total Revenues	<u>3,917</u>	<u>588,492</u>	<u>2,589</u>	<u>1,458</u>	<u>-</u>	<u>487,045</u>	<u>-</u>	<u>1,778</u>	<u>55,693</u>
Expenditures									
Current:									
General Government	-	-	-	1,000	-	-	-	-	3,500
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	509,975	-	-	-
Parks and Recreation	-	-	-	-	-	-	-	-	-
Education	-	633,836	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>633,836</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>509,975</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
Excess/(Deficiency) of Revenues Over Expenditures	3,917	(45,344)	2,589	458	-	(22,930)	-	1,778	52,193
Other Financing Sources/(Uses)									
Transfers In	-	46,800	-	-	-	-	-	3,760	-
Transfers Out	<u>(240,163)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>(240,163)</u>	<u>46,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,760</u>	<u>-</u>
Net Change in Fund Balances	(236,246)	1,456	2,589	458	-	(22,930)	-	5,538	52,193
Fund Balances at Beginning 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>
Fund Balances at End of Year	\$ -	\$ 96,663	\$ 1,315,800	\$ 157,223	\$ 859	\$ (31,235)	\$ 669	\$ 20,875	\$ 307,464

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, 2024

	SPECIAL REVENUE FUNDS							
	Champs Fund	Winchester School Trust Fund	Winchester Bond Sinking Fund	Forest View Cemetery Chapel Trust Fund	Student Activity Fund	Grants & Donations Fund	Federal and State Education Fund	Sewer Assessment Fund
Revenues								
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,012	\$ 2,731,537	\$ -
Charges for Services	54,005	-	-	-	2,447	156,860	-	7,393
Interest and Dividends	-	49	-	-	-	-	-	-
Other Revenue	-	2,929	-	-	-	107,102	2,450	-
Total Revenues	54,005	2,978	-	-	2,447	268,974	2,733,987	7,393
Expenditures								
Current:								
General Government	-	-	-	-	-	6,311	-	-
Public Safety	-	-	-	-	-	25,933	-	-
Public Works	-	-	-	-	-	6,133	-	-
Health	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	159,953	-	-
Education	61,299	1,260	-	-	2,355	-	2,733,987	-
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures	61,299	1,260	-	-	2,355	198,330	2,733,987	-
Excess/(Deficiency) of Revenues Over Expenditures	(7,294)	1,718	-	-	92	70,644	-	7,393
Other Financing Sources/(Uses)								
Transfers In	-	-	-	-	-	41,716	-	-
Transfers Out	-	-	-	-	-	(11,000)	-	(6,642)
Total Other Financing Sources/(Uses)	-	-	-	-	-	30,716	-	(6,642)
Net Change in Fund Balances	(7,294)	1,718	-	-	92	101,360	-	751
Fund Balances at Beginning of Year	68,286	97,560	18	630	11,603	323,330	-	-
Fund Balances at End of Year	\$ 60,992	\$ 99,278	\$ 18	\$ 630	\$ 11,695	\$ 424,690	\$ -	\$ 751

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Page 3 of 3

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,771,188
Charges for Services	-	-	-	-	-	-	261,603
Interest and Dividends	-	1,452	352	87	-	349	10,373
Other Revenue	-	-	-	-	-	-	169,832
Total Revenues	<u>-</u>	<u>1,452</u>	<u>352</u>	<u>87</u>	<u>-</u>	<u>349</u>	<u>4,212,996</u>
Expenditures							
Current:							
General Government	-	-	-	-	-	-	10,811
Public Safety	-	-	-	-	-	-	25,933
Public Works	-	-	-	-	-	-	6,133
Health	-	-	-	-	-	-	509,975
Parks and Recreation	-	-	-	-	-	-	159,953
Education	-	-	-	-	-	-	3,432,737
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,145,542</u>
Excess/(Deficiency) of Revenues Over Expenditures	-	1,452	352	87	-	349	67,454
Other Financing Sources/(Uses)							
Transfers In	-	-	-	-	-	-	92,276
Transfers Out	(663,629)	-	-	-	-	-	(921,434)
Total Other Financing Sources/(Uses)	<u>(663,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(829,158)</u>
Net Change in Fund Balances	(663,629)	1,452	352	87	-	349	(761,704)
Fund Balances at Beginning of Year	<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>
Fund Balances at End of Year	<u>\$ 590,763</u>	<u>\$ 145,986</u>	<u>\$ 40,278</u>	<u>\$ 14,558</u>	<u>\$ 7,784</u>	<u>\$ 100,446</u>	<u>\$ 3,366,187</u>

See accountant's report.

Supplemental Schedules

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2024

Grand List of 10/1:	Outstanding July 1, 2023	Current Levy	Lawful Corrections		Transfers to Suspense	Collectible Taxes	Collections During the Year			Outstanding June 30, 2024
			Additions	Deductions			Taxes	Interest and Liens	Total	
2022		\$ 27,381,907	\$ 32,872	\$ 170,365	\$ 501	\$ 27,243,913	\$ 26,847,104	\$ 112,813	\$ 26,959,917	\$ 396,809
2021	\$ 429,878	-	6,291	38,402	531	397,236	216,317	53,518	269,835	180,919
2020	116,721	-	18,551	38,093	2,227	94,952	4,917	17,532	22,449	90,035
2019	68,553	-	9,512	30,191	38,035	9,839	(18,505)	6,336	(12,169)	28,344
2018	65,399	-	-	70,594	1,899	(7,094)	(23,839)	5,124	(18,715)	16,745
2017	21,537	-	115	-	1,936	19,716	7,078	6,765	13,843	12,638
2016	13,969	-	113	-	1,546	12,536	9,448	11,419	20,867	3,088
2015	4,056	-	6	-	1,149	2,913	475	620	1,095	2,438
2014	547	-	39	-	-	586	-	-	-	586
2013	930	-	-	358	-	572	-	-	-	572
2012	608	-	5	-	-	613	-	-	-	613
2011	750	-	-	244	-	506	-	-	-	506
2010	774	-	-	-	-	774	-	-	-	774
2009	774	-	-	-	-	774	-	-	-	774
	\$ 724,496	\$ 27,381,907	\$ 67,504	\$ 348,247	\$ 47,824	\$ 27,777,836	27,042,995	214,127	27,257,122	\$ 734,841
Net Grand List - October 1, 2022						Total Suspense Collections	40,224	57,036	97,260	
Tax Rate: 26.39 mills						Total Collections	\$ 27,083,219	\$ 271,163	\$ 27,354,382	

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Water and Sewer Rents Levied, Collected, and Outstanding
For the Year Ended June 30, 2024

Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2023	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Rents	Collections Interest, Fees and Liens	Total	Water Rents Receivable June 30, 2024
2022	\$ 1,821,547	\$ (844)	\$ -	\$ 1,820,703	\$ 1,741,078	\$ 21,425	\$ 1,762,503	\$ 79,625
2021	100,534	8,980	-	109,514	103,804	19,057	122,861	5,710
2020	7,607	122	-	7,729	7,423	970	8,393	306
2019	1,328	181	-	1,509	423	214	637	1,086
2018	1,770	(288)	-	1,482	-	-	-	1,482
2017	3,181	(1,231)	-	1,950	178	450	628	1,772
2016	2,428	(891)	-	1,537	911	1,071	1,982	626
2015	729	447	326	850	-	-	-	850
2014	726	-	316	410	-	-	-	410
2013	1,553	-	316	1,237	-	-	-	1,237
2012	316	-	-	316	6	-	6	310
2011	306	-	-	306	-	-	-	306
2010	148	-	-	148	-	-	-	148
	\$ 1,942,173	\$ 6,476	\$ 958	\$ 1,947,691	\$ 1,853,823	\$ 43,187	\$ 1,897,010	\$ 93,868

Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2023	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Rents	Collections Interest, Fees and Liens	Total	Sewer Rents Receivable June 30, 2024
2022	\$ 1,811,553	\$ (2,571)	\$ -	\$ 1,808,982	\$ 1,734,809	\$ 21,684	\$ 1,756,493	\$ 74,173
2021	98,262	3,247	-	101,509	97,067	13,647	110,714	4,442
2020	1,267	205	-	1,472	1,472	520	1,992	-
2019	1,343	129	-	1,472	30	28	58	1,442
2018	2,323	(194)	-	2,129	365	58	423	1,764
2017	2,662	(795)	-	1,867	475	483	958	1,392
2016	2,396	(771)	-	1,625	706	813	1,519	919
2015	1,339	33	210	1,162	-	-	-	1,162
2014	962	-	200	762	-	-	-	762
2013	1,705	-	200	1,505	-	-	-	1,505
2012	712	-	-	712	-	-	-	712
2011	598	-	-	598	-	-	-	598
2010	25	-	-	25	-	-	-	25
	\$ 1,925,147	\$ (717)	\$ 610	\$ 1,923,820	\$ 1,834,924	\$ 37,233	\$ 1,872,157	\$ 88,896

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

Table 1

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 62,563,734
Restricted	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	2,737,768
Unrestricted	<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>	<u>5,588,954</u>
Total Governmental Activities Net Position	<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>	<u>\$ 70,890,456</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 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	\$ 26,978,207
Unrestricted	<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>	<u>3,090,964</u>
Total Business-type Activities Net Position	<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>	<u>\$ 30,069,171</u>
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 89,541,941
Restricted	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	2,737,768
Unrestricted	<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>	<u>8,679,918</u>
Total Primary Government Net Position	<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>	<u>\$ 100,959,627</u>

Note:

(1) Schedule prepared on the accrual basis of accounting.

TOWN OF WINCHESTER, CONNECTICUT

Changes in Net Position
Last Ten Fiscal Years

Table 2

Page 1 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
Education	\$ 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	\$ 28,031,972
Public safety	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	5,168,466
Public works	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	4,198,207
General government	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	4,525,106
Health	649,113	1,164,840	468,627	454,403	469,359	615,805	620,927	813,080	805,182	621,212
Parks and recreation	224,911	263,445	269,537	274,774	308,839	411,335	380,722	448,910	577,985	614,198
Library	200,003	206,000	214,034	216,174	218,336	222,702	229,383	233,971	240,990	248,220
Waste disposal and recycling	196,247	198,356	225,040	200,940	202,949	202,950	202,950	209,038	215,188	215,188
Interest on long-term debt	166,124	146,895	131,350	121,162	105,504	83,212	62,670	42,049	221,393	562,765
Total Governmental Activities Expenses	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	44,185,334
Business-Type Activities										
Waterworks	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	1,811,209
Sewer	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	2,312,020
Total Business-Type Activities Expenses	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	4,123,229
Total Primary Government Expenses	\$ 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	\$ 48,308,563
Program Revenues										
Governmental Activities:										
Charges for Services:										
Education	\$ 170,174	\$ 131,074	\$ 124,270	\$ 147,085	\$ 105,378	\$ 68,235	\$ 25,026	\$ 54,915	\$ 77,518	\$ 97,350
Public safety	61,615	64,812	76,747	73,147	70,599	66,042	76,131	117,990	453,973	59,878
Public works	222,998	245,626	250,008	250,008	250,000	260,000	260,000	270,000	270,000	324,372
Health	75,893	66,807	73,513	47,974	64,487	59,436	76,989	50,975	64,742	27,500
General government	305,526	358,225	376,722	348,504	558,891	384,894	720,627	674,776	512,699	414,702
Parks and recreation	10,500	15,000	15,000	20,000	20,000	95,992	125,023	155,464	20,000	176,860
Operating Grants and Contributions	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	14,201,329
Capital Grants and Contributions	45,448	426,070	469,124	175,276	328,952	1,166,882	2,672,166	8,604,203	5,031,562	3,732,976
Total Governmental Activities Program Revenues	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	19,034,967
Business-type Activities:										
Waterworks:										
Charges for Services	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	1,870,712
Sewer:										
Charges for Services	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	2,119,075
Total Business-type Activities Program Revenues	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	3,989,787
Total Primary Government Program Revenues	\$ 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	\$ 23,024,754
Net Revenues (Expenses):										
Governmental Activities	\$ (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)	\$ (25,150,367)
Business-type Activities	(234,143)	(68,383)	243,950	(45,242)	(141,199)	(113,103)	(234,260)	(463,343)	(14,833)	(133,442)
Total Primary Government Net Expense	\$ (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)	\$ (25,283,809)
	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)

TOWN OF WINCHESTER, CONNECTICUT

Changes in Net Position
Last Ten Fiscal Years

Table 2

Page 2 of 2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 27,348,593
Grants and Contributions Not Restricted to Specific Programs	334,480	275,647	475,567	1,438,792	578,580	580,970	592,243	697,502	1,010,515	1,152,302
Unrestricted Investment Earnings	240	227	41,920	109,476	240,749	193,301	19,897	37,193	381,110	733,724
Contributions to Permanent Fund Principal	2,877	2,550	2,550	2,792	2,757	-	-	-	-	-
Miscellaneous	424,294	126,873	90,129	62,573	90,673	58,060	69,753	109,370	137,959	358,769
Transfers	(78,653)	(68,514)	(66,288)	(63,960)	(58,958)	(57,520)	(263)	(1,023,079)	(1,998)	(1,588,507)
Total Governmental Activities	<u>23,247,079</u>	<u>23,030,220</u>	<u>23,764,403</u>	<u>25,221,035</u>	<u>25,075,443</u>	<u>25,003,517</u>	<u>25,365,356</u>	<u>25,289,782</u>	<u>27,925,297</u>	<u>28,004,881</u>
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	11,215
Transfers	78,653	68,514	66,288	63,960	58,958	57,520	263	1,023,079	1,998	1,588,507
Total Business-type Activities	<u>78,653</u>	<u>68,514</u>	<u>66,288</u>	<u>63,960</u>	<u>79,794</u>	<u>72,899</u>	<u>2,843</u>	<u>1,025,610</u>	<u>26,553</u>	<u>1,599,722</u>
Total Primary Government	<u>\$ 23,325,732</u>	<u>\$ 23,098,734</u>	<u>\$ 23,830,691</u>	<u>\$ 25,284,995</u>	<u>\$ 25,155,237</u>	<u>\$ 25,076,416</u>	<u>\$ 25,368,199</u>	<u>\$ 26,315,392</u>	<u>\$ 27,951,850</u>	<u>\$ 29,604,603</u>
Change in Net Position										
Governmental Activities	\$ 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	\$ 2,854,514
Business-type Activities	(155,490)	131	310,238	18,718	(61,405)	(40,204)	(231,417)	562,267	11,720	1,466,280
Total Primary Government	<u>\$ 889,404</u>	<u>\$ 672,336</u>	<u>\$ 2,887,376</u>	<u>\$ 3,255,948</u>	<u>\$ 3,447,570</u>	<u>\$ 2,176,148</u>	<u>\$ 3,938,809</u>	<u>\$ 8,417,088</u>	<u>\$ 7,772,031</u>	<u>\$ 4,320,794</u>

Note:

TOWN OF WINCHESTER, CONNECTICUT
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Table 3

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	2,050,000
Assigned	-	-	-	-	109,461	124,697	744,892	283,387	9,893	-
Unassigned	5,163,031	5,724,511	6,246,790	6,788,756	6,964,634	7,184,823	7,320,824	7,890,117	8,912,178	8,360,693
Total General Fund	<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>	<u>\$ 10,410,693</u>
All Other Governmental Funds:										
Nonspendable	\$ 1,763,036	\$ 1,505,939	\$ 1,489,209	\$ 1,451,413	\$ 187,376	\$ 187,376	\$ 187,376	\$ 187,376	\$ 187,376	\$ 187,376
Restricted	379,883	680,158	756,686	844,189	2,108,710	2,150,562	2,316,877	2,412,290	2,377,513	2,550,392
Committed	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	8,111,897
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(703,609)	(682,491)	(669,933)	(679,399)	(682,286)	(706,786)	(706,078)	(1,223,638)	(901,963)	(922,063)
Total All Other Governmental Funds	<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>	<u>\$ 9,927,602</u>

Note:

(1) Schedule prepared on the modified accrual basis of accounting.

TOWN OF WINCHESTER, CONNECTICUT
Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years

Table 4

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Property Taxes, Interest and Lien Fees	\$ 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	\$ 27,354,314
Intergovernmental Revenue	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	19,027,192
Other local revenues	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	2,236,896
Total Revenues	<u>37,759,823</u>	<u>39,295,777</u>	<u>40,387,715</u>	<u>38,580,601</u>	<u>40,467,506</u>	<u>41,264,022</u>	<u>43,330,570</u>	<u>50,354,122</u>	<u>49,594,410</u>	<u>48,618,402</u>
Expenditures										
Current:										
Education	\$ 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	28,352,113
Program and Project Expenses	505,184	566,682	571,682	456,585	614,660	403,834	416,376	467,343	494,794	2,844,374
Public Safety	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	4,371,287
Public Works	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	7,067,667
Miscellaneous	504,794	433,930	877,666	609,604	536,341	737,208	649,155	838,921	837,585	416,312
General Government	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	3,184,986
Health	542,775	570,928	578,965	582,969	598,426	601,907	639,535	840,066	703,253	658,494
Parks and Recreation	196,636	253,191	253,516	248,833	280,836	387,656	371,084	426,334	527,172	660,816
Library	200,003	206,000	214,034	216,174	218,336	222,702	229,383	233,971	240,990	248,220
Waste Disposal and Recycling	196,247	198,356	225,040	200,940	202,949	202,950	202,950	209,038	215,188	215,188
Debt Service:										
Principal	535,768	558,253	552,016	569,651	573,831	545,358	549,017	403,116	5,463,343	1,020,675
Interest & Issuance Costs	166,124	166,269	131,350	121,162	122,388	83,212	62,669	58,933	215,425	522,408
Capital Outlay	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	2,076,866
Total Expenditures	<u>36,437,817</u>	<u>37,699,224</u>	<u>39,332,447</u>	<u>37,514,262</u>	<u>39,432,736</u>	<u>40,913,319</u>	<u>43,777,908</u>	<u>53,660,252</u>	<u>57,522,925</u>	<u>51,639,406</u>
Excess (Deficiency) of Revenues Over Expenditures	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)	(3,021,004)
Other Financing Sources (Uses)										
Issuance of Loans	-	-	-	-	-	-	-	-	1,092,528	-
Issuance of Bonds & GANS	-	-	-	-	-	-	-	-	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	-
Proceeds from Sales of Assets	-	-	-	-	-	-	-	-	-	213,757
Transfers In	771,991	716,095	751,005	1,255,941	2,989,212	1,495,065	2,431,419	4,100,635	3,857,264	4,048,478
Transfers Out	(850,644)	(784,609)	(817,293)	(1,319,901)	(3,048,170)	(1,552,585)	(1,617,555)	(3,649,262)	(2,701,765)	(3,279,547)
Total Other Financing Sources (Uses)	<u>(78,653)</u>	<u>(68,514)</u>	<u>284,901</u>	<u>68,340</u>	<u>50,415</u>	<u>(57,520)</u>	<u>5,813,864</u>	<u>451,373</u>	<u>15,102,443</u>	<u>982,688</u>
Net Change in Fund Balances	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	(2,038,316)
Fund Balance at Beginning of Year	<u>6,055,727</u>	<u>7,299,080</u>	<u>8,827,119</u>	<u>10,167,288</u>	<u>11,301,967</u>	<u>12,387,152</u>	<u>12,680,335</u>	<u>18,057,440</u>	<u>15,202,683</u>	<u>22,376,611</u>
Fund Balance at End of Year	<u>\$ 7,299,080</u>	<u>\$ 8,827,119</u>	<u>\$ 10,167,288</u>	<u>\$ 11,301,967</u>	<u>\$ 12,387,152</u>	<u>\$ 12,680,335</u>	<u>\$ 18,046,861</u>	<u>\$ 15,202,683</u>	<u>\$ 22,376,611</u>	<u>\$ 20,338,295</u>
Debt Service as a Percentage of Noncapital Expenditures	1.97%	1.95%	1.79%	1.90%	1.86%	1.67%	1.58%	1.17%	12.04%	3.35%

Note:

- (1) Schedule prepared on the modified accrual basis of accounting.
- (2) A \$43,576 prior period adjustment was recorded and the 2015 beginning fund balance was restated to correct individual fund balances.
- (3) 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						
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%
2024	2022	732,209	142,179	105,118	83,448	1,062,954	32,604	1,030,350	26.39	1,471,929	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

Table 6

Principal Property Taxpayers
Current Year and Nine Years Ago

	2024				2015		
	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.	\$ 17,149,190	1	1.61%	Howmet Casting and Services	\$ 11,214,578	1	1.57%
Yankee Gas	13,352,260	2	1.26%	Winrock LLC	9,477,370	2	1.33%
Winrock LLC	10,931,830	3	1.03%	Connecticut Light and Power Co.	7,553,274	3	1.06%
Howmet Casting and Services	10,867,580	4	1.02%	DRT Power Systems LLC	4,288,342	4	0.60%
Centurion Holdings 1 Inc	6,624,660	5	0.62%	Yankee Gas	3,374,552	5	0.47%
Litchfield Gardens Assoc	4,551,540	6	0.43%	Litchfield Gardens Association	3,310,020	6	0.46%
Litchfield Heights Apts LLC	3,336,410	7	0.31%	Barden Corporation	2,130,017	7	0.30%
Solar Turbines Inc	3,054,130	8	0.29%	Litchfield Heights Apartments	1,921,850	8	0.27%
Rosen TIC LLC	2,963,660	9	0.28%	Adam L & Deannie K Reeder	1,773,980	9	0.25%
Hubbell Inc	2,828,530	10	0.27%	Camp Wahnee Associates Inc.	1,750,560	10	0.25%
	<u>\$ 75,659,790</u>		<u>7.12%</u>		<u>\$ 46,794,543</u>		<u>6.56%</u>

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

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

Table 7

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	298,480	23,200,577	99.54%
2018	23,943,044	23,190,371	96.86%	248,627	23,438,998	97.89%
2019	24,141,257	23,614,748	97.82%	253,350	23,868,098	98.87%
2020	24,313,385	23,798,621	97.88%	310,793	24,109,414	99.16%
2021	24,621,694	24,155,116	98.11%	339,231	24,494,347	99.48%
2022	25,648,744	24,642,843	96.08%	281,778	24,924,621	97.18%
2023	25,573,526	25,143,648	98.32%	216,317	25,359,965	99.16%
2024	27,381,907	26,847,104	98.05%	-	26,847,104	98.05%

Source: Tax Collector's Office - Town of Winchester, Connecticut

TOWN OF WINCHESTER, CONNECTICUT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 8

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Bonded Debt Percentage of Actual Property Value (1)	Total Debt per Capita	Total Bonded Debt per Capita
	General Obligation Bonds	Equipment Financing Notes	Leases Payable	Subscriptions Payable	Capital Leases	General Obligation Bonds	Notes						
2015	\$ 3,776,000	\$ 83,000	\$ -	\$ -	\$ 43,779	\$ 2,095,000	\$ 398,932		\$ 6,396,711	1.98%	0.59%	\$ 581	\$ 533
2016	3,356,000	-	-	-	113,894	1,685,000	368,017		5,522,911	1.61%	0.51%	505	461
2017	2,936,000	-	-	-	333,067	1,275,000	336,477		4,880,544	1.45%	0.42%	451	389
2018	2,516,000	-	-	-	315,716	865,000	304,301		4,001,017	1.21%	0.33%	372	314
2019	2,096,000	-	-	-	254,374	460,000	271,475		3,081,849	0.89%	0.25%	287	238
2020	1,676,000	-	-	-	129,016	305,000	237,987		2,348,003	0.66%	0.19%	220	186
2021	6,256,000	-	-	-	-	150,000	203,823		6,609,823	1.83%	0.62%	647	627
2022	5,836,000	-	-	-	-	-	168,969		6,004,969	1.61%	0.55%	588	571
2023	12,701,973	204,424	50,464	163,122	-	-	1,225,941		14,345,924	3.85%	1.14%	1,401	1,240
2024	11,632,017	174,750	8,075	153,157	-	-	1,158,915		13,126,914	3.32%	0.79%	1,282	1,136

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.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Debt Limitation
June 30, 2024

Table 9

Total Tax Collection, Including Interest and Lien Fees for Prior Fiscal Year	\$ 25,806,580
Reimbursement for Revenue Loss on: Tax Relief for Elderly (Prior Year)	-
Base	<u>\$ 25,806,580</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>\$ 58,064,805</u>	<u>\$ 116,129,610</u>	<u>\$ 96,774,675</u>	<u>\$ 83,871,385</u>	<u>\$ 77,419,740</u>
Indebtedness:					
Bonds Payable	7,030,000	3,895,000	-	-	-
Clean Water Fund Loans	-	-	97,137	-	-
Authorized but Unissued Debt	<u>17,300,000</u>	<u>12,109,925</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Indebtedness**	<u>24,330,000</u>	<u>16,004,925</u>	<u>97,137</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 33,734,805</u>	<u>\$ 100,124,685</u>	<u>\$ 96,677,538</u>	<u>\$ 83,871,385</u>	<u>\$ 77,419,740</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$180,646,060

**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 \$1,061,778 and \$7,407,472 in authorized but unissued debt for the drinking water projects.

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

Table 10

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limitation	\$ 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	\$ 180,646,060
Total net debt applicable to limit	<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>	<u>\$ 40,432,062</u>
Legal debt margin	<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>	<u>\$ 140,213,998</u>
Total net debt applicable to the limit as a percentage of debt limit	4.29%	4.03%	3.48%	2.79%	2.23%	1.70%	11.46%	11.03%	24.87%	23.43%	22.38%

Note: Connecticut General Statutes, Section 7-374(b) limits the amount of general obligation debt a government entity may use to 7 times total tax collections, including interest and lien fees and the tax relief for the elderly freeze grant.

TOWN OF WINCHESTER, CONNECTICUT

Table 11

Debt Statement
As of June 30, 2024**Direct Debt***Long-term Debt*

General Obligation Bonds	\$ 11,632,017
Notes Payable	1,333,665
Leases Payable	8,075
SBITAs Payable	<u>153,157</u>
Total Long-term Debt	<u>13,126,914</u>

Total Direct Debt 13,126,914

Less:

Self Supporting Debt	
Waterworks	1,061,778
Sewer	<u>97,137</u>

Total Net Direct Debt 11,967,999

Overlapping Debt

-

Total Overall Net Debt \$ 11,967,999

Current Debt Ratios

June 30, 2024

Total Direct Indebtedness	\$	13,126,914
Total Net Direct Indebtedness	\$	11,967,999
Total Overall Net Direct Indebtedness	\$	11,967,999
¹ Population		10,236
Net Taxable Grand List (10/1/22) (70%)	\$	1,030,350,000
Estimated Full Value	\$	1,471,928,571
² Equalized Net Taxable Grand List (10/1/22)	\$	1,472,497,274
Total Direct Indebtedness:		
Per Capita	\$	1,282
To Net Taxable Grand List		1.27%
To Estimated Full Value		0.89%
To Equalized Net Taxable Grand List		0.89%
Total Net Direct Indebtedness:		
Per Capita	\$	1,169
To Net Taxable Grand List		1.16%
To Estimated Full Value		0.81%
To Equalized Net Taxable Grand List		0.81%
Total Overall Net Direct Indebtedness:		
Per Capita	\$	1,169
To Net Taxable Grand List		1.16%
To Estimated Full Value		0.81%
To Equalized Net Taxable Grand List		0.81%

¹ OPM Municipal Fiscal Indicators² CT Data

TOWN OF WINCHESTER, CONNECTICUT

Demographic 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)
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	373,105	36,436	47	12+	615	3.7
2024	10,236	395,304	38,619	47	12+	616	3.0

(1) U.S. Census Bureau

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

(3) U.S. Census Bureau, American Fact Finder

(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	2024			2015		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Winchester	262	1	4.52%	213	1	3.52%
NW CT Community College	200	2	3.45%	100	4	1.65%
Howmet Corporation	175	3	3.02%	185	2	3.06%
Foothills Visiting Nurse/Home Care	136	4	2.34%	65	5	1.07%
Hubbell Inc	103	5	1.78%			
Hartford Healthcare - Winsted	90	6	1.55%			
Northwest Community Bank	53	7	0.91%	46	9	0.76%
Sterling Sintered Technologies	52	8	0.90%	49	8	0.81%
DRT Power Systems	47	9	0.81%	40	10	0.66%
SKF/MRC Plain Bearings	31	10	0.53%			
Electric Motion				127	3	2.10%
ICS				55	6	0.91%
Barden Corporation				50	7	0.83%

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<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	9.0	7.0	5.5	5.5	6.0	6.0	6.0	6.0
Planning	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Building	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	9.5	7.0	8.0	7.0	6.0	6.0	7.0	8.0	8.0	8.0
<u>Public Safety</u>										
Officers	19.0	19.0	22.0	22.0	23.0	23.0	23.0	20.0	18.0	18.0
Civilians	1.0	1.0	1.0	2.0	4.0	4.0	5.0	5.0	4.0	3.0
<u>Public Works</u>	16.0	16.0	16.0	16.0	15.0	15.0	12.0	11.0	9.0	10.0
<u>Parks and Recreation</u>	1.5	2.0	2.0	2.0	2.0	2.0	2.0	-	1.0	-
<u>Water and Sewer Authority</u>	12.0	12.0	13.0	13.0	13.0	13.0	11.0	11.0	10.0	10.0
<u>Human Services</u>	5.0	5.0	5.0	3.0	2.0	2.0	2.0	-	-	-
<u>Town Properties</u>	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Board of Education</u>										
Certified	76.2	75.5	72.0	73.0	72.0	72.0	71.0	72.0	71.0	66.0
Noncertified	82.2	81.0	75.0	87.0	92.0	92.0	64.0	85.0	73.0	85.0
Total	<u>239.4</u>	<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>

Sources: Town of Winchester, Connecticut - 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

Page 1 of 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Workers Compensation										
Claims Processed	5	12	17	26	20	14	36	20	22	24
General Liability										
Claims Processed	3	2	12	2	6	19	6	14	6	30
Marriage Licenses Recorded	54	77	79	77	28	70	178	102	61	105
Birth Certificates Recorded	84	81	75	81	99	67	76	99	89	73
Death Certificates Recorded	120	116	125	131	106	97	117	106	125	121
Boards and Agencies										
Registered Voters	6,889	6,620	6,544	6,512	6,027	5,919	5,737	6,125	5,566	6,660
Elections and Referendums	4	5	2	2	1	4	2	5	4	4
Planning and Development										
Building Permits Issued	649	745	642	700	648	669	579	595	696	626
Rental Certificate of										
Occupancy Issued	7	43	23	46	121	190	48	78	40	67
Value of Building Permits	12,937,232	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
Public Safety										
Arrests	254	315	395	645	147	1,396	375	422	393	655
Parking Violations	129	141	186	134	232	186	321	199	198	499
Traffic Accidents	303	314	325	303	285	327	393	323	353	816
Traffic Stops	505	580	718	654	1,061	1,401	1,259	739	772	1,320
Police Calls	8,902	8,932	9,234	9,147	9,760	9,169	9,318	8,661	8,260	8,816
Animal Control Calls	221	368	368	294	212	350	217	160	362	624
Fire Dispatched	753	262	621	288	196	69	114	152	279	718
Ambulance Requests	2,169	1,493	2,160	1,266	237	1,044	954	897	1,142	1,284
Public Works										
Miles of Roads Maintained	81	81	81	81	81	81	81	81	81	81
Parks and Recreation										
Community Event Participants	570	650	640	360	620	745	702	655	506	452
Recreation Program Participants	1,842	1,300	804	485	740	855	865	844	740	627
Annual Participants	2,412	1,950	1,444	845	1,360	1,600	1,567	1,499	1,246	1,079
	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)	(Continued)

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

Table 16

Page 2 of 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Libraries										
Volumes in Collection	n/a	n/a	32,351	31,677	32,069	33,552	34,291	34,240	36,361	40,627
Collection Size	35,461	35,382	33,772	34,677	34,178	36,731	37,575	38,970	40,369	45,157
Senior Citizens										
Meals on Wheels										
Provided - Annually	20,838	20,480	20,894	22,620	21,796	29,966	34,100	32,570	35,170	36,108
Meals at Senior Center										
Provided - Annually	7,151	6,748	7,156	6,244	4,519	5,788	5,676	5,632	6,274	6,897
Van Rides Provided to Seniors - Annually	2,579	2,904	3,048	2,417	3,166	4,182	2,666	5,632	5,385	4,670
Senior Mini-Bus Trips - number of senior annually	72	146	-	-	88	90	115	378	179	206
NW Transit Rides for Winsted Residents	11,662	18,847	16,044	6,800	7,017	7,164	16,951	11,353		
Education										
Workers Compensation										
Claims Processed	41	23	13	8	11	34	32	48	51	16
Elementary Schools	21	12	14	8	1	1	1	1	2	2
Middle Schools	n/a	n/a	n/a	n/a	1	1	1	1	1	1
High Schools	n/a	n/a	n/a	n/a	1	1	1	1	1	1
Water										
New Connections	3	5	-	1	2	2	2	1	1	-
Water Main Breaks	3	1	3	3	4	4	6	4	3	-
Average Daily Consumption (millions of gallons)	0.81	0.80	0.91	0.88	0.79	0.90	1.03	0.94	0.99	0.93
Peak Daily Consumption (millions of gallons)	1.20	1.20	1.72	1.29	1.09	1.49	1.34	1.29	1.29	1.32
Sewer										
Average Daily Sewage Treatment (mil. of gallons)	2.00	1.49	1.69	1.35	1.35	1.81	1.44	1.26	1.23	1.37

Sources: Town of Winchester, Connecticut - Various Town Departments

N/A - information not available

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

Table 17

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<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	18	17	16	16	16	12	11	11	12
Fire Vehicles	12	11	11	11	11	11	12	12	12	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	67	65	60	55	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
<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	1	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: Town of Winchester, Connecticut - Various Town Departments