

TOWN OF WINCHESTER CONNECTICUT



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**TOWN OF WINCHESTER
CONNECTICUT**

Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2021

Prepared By
Winchester Finance Department
Winsted, Connecticut 06098

TOWN OF WINCHESTER, CONNECTICUT

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Introductory Section

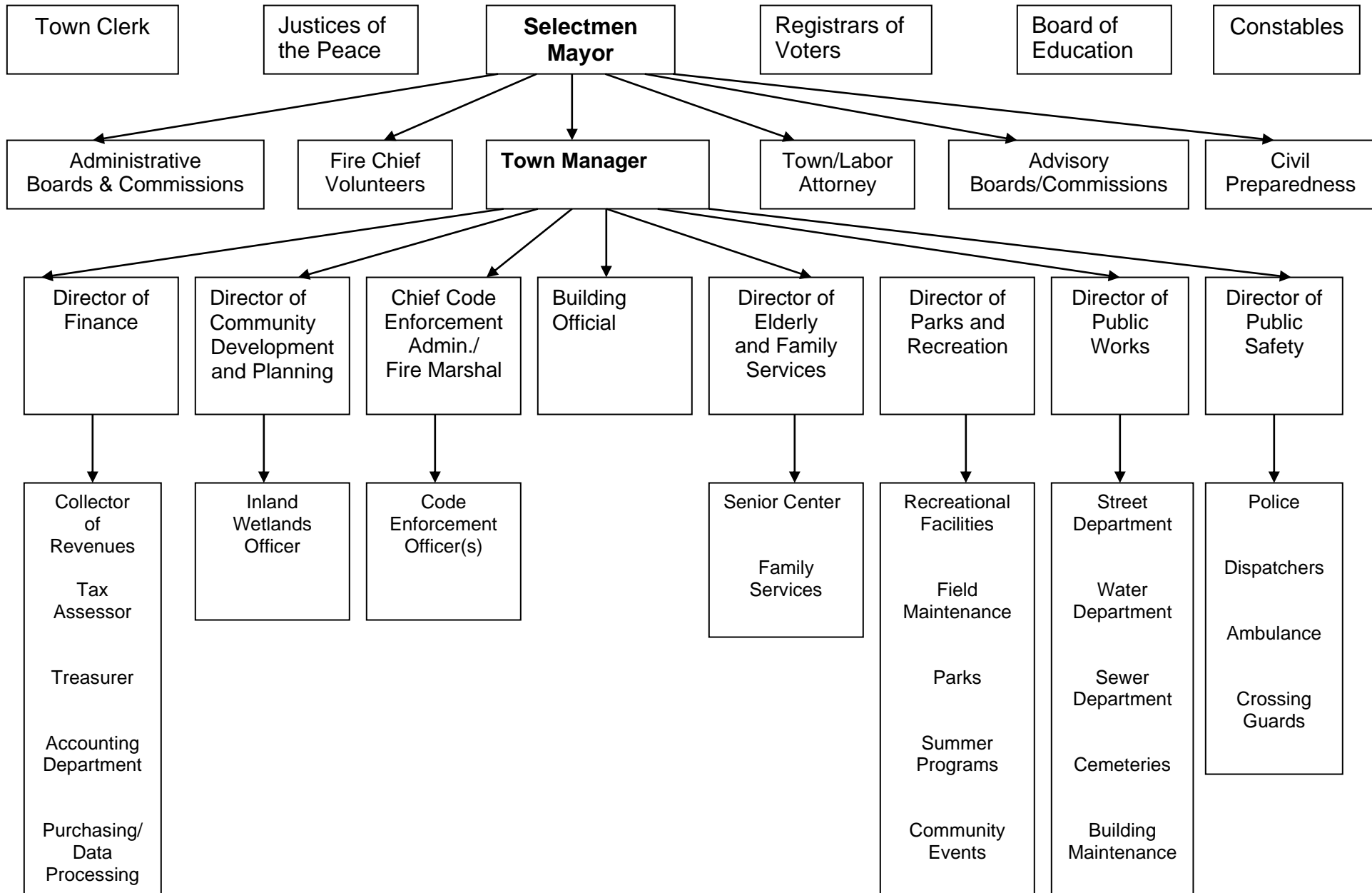
TOWN OF WINCHESTER, CONNECTICUT

List of Elected and Appointed Officials

As of June 30, 2021

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>
Mayor:	Althea Candy Perez	Appointed
Board of Selectman:	Althea Candy Perez	Elected
	Steven Sedlack	Elected
	Candace Bouchard	Elected
	Todd Arcelaschi	Elected
	Melissa Bird	Elected
	Jack Bourque	Elected
	Linda Groppo	Elected
Board of Assessment Appeals:	John Herman, Chairman	Appointed
	Jackie Mulvey	Appointed
	Joel Stewart	Appointed
	Vacant Seat	Appointed
	Glenn S. Albanesius	Alternate
	Todd Arcelaschi	Liason
Director of Public Works:	James Rollins	Appointed
Town Manager:	Joshua S. Kelly	Appointed
Director of Finance:	Bruce B. Stratford	Appointed
Treasurer:	Cynthia E. Rines	Appointed
Tax Collector:	Halaree Monnerat	Appointed
Town Clerk:	Sheila S. Sedlack	Elected
Purchasing Agent:	Mark A. Douglass	Appointed
Town Assessor:	Jill Healey	Appointed
Superintendent of Schools:	Melony Brady-Shanley	Appointed

TOWN OF WINCHESTER, CONNECTICUT
Organizational Chart of the Town Government





TOWN OF WINCHESTER – CITY OF WINSTED

Town Hall – 338 Main Street

WINSTED, CONNECTICUT 06098

December 22, 2021

Honorable Mayor Todd Arcelaschi

Members of The Board of Selectmen

Town Manager Joshua Kelly

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, 2021 (FY21). 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 FY21.

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, 2021. The independent auditor's report is located at the front of the financial section of this report.

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

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

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

Profile of the Town of Winchester

The Town of Winchester, located in Litchfield County, is a political subdivision located approximately thirty miles northwest of Hartford in the watersheds of the Farmington and Naugatuck Rivers. It is bordered on the north by the Town of Colebrook, on the south by the City of Torrington, on the east by the Town of Barkhamsted, and on the west by the Towns of Norfolk and Goshen. It covers a land area of approximately thirty-four square miles. What is commonly referred to as the City of Winsted is located within the Town of Winchester, but that “entity” has 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 is commemorating its 250th anniversary this year.

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, last revised in 2016, 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.

Due to COVID-19 pandemic conditions in May 2020, the Board of Selectmen was authorized by Connecticut Governor’s Executive Order 71 to adopt the FY21 General Fund budget without holding an Annual Budget Meeting and referendum. That adoption occurred at a Special Meeting of the Board of Selectmen on May 21, 2020. The FY22 General Fund budget was adopted in May 2021 following the normal process.

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).

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

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. Most residents are employed in the manufacturing, education, health and social services categories. Recent data from the CT Data Collaborative indicates that Winchester's 2014-2019 median household income was \$68,750, as compared to the State of Connecticut's \$78,444. The Town's population was 10,224 according to the 2020 federal census.

In accordance with State of Connecticut statutes, the Town conducted a property revaluation in 2017. The next scheduled revaluation including a physical inspection of all properties, which was not part of the 2017 revaluation, is slated for 2022. The grand list of all real estate is primarily residential (83%) with an important industrial and commercial presence (17%).

At June 30, 2021 the Town's unassigned General Fund balance was \$7,320,814, which represents 21.9 percent of FY21 General Fund expenditures. Moody's Investor Services assigned an Issuer Rating of A1 to the Town on September 6, 2019.

Beginning in March 2020 and continuing through FY21 the Town was impacted by the COVID-19 pandemic to the extent that precautions were taken to protect citizens and town employees and access to Town Hall was sometimes restricted. As permitted by the federal CARES act, the Town applied for FEMA and CT Coronavirus Relief Fund (CRF) funding to defray these expenses. During FY21 the Town received \$127,488 in Connecticut Coronavirus Relief Funds to cover related costs through December 31, 2021 and \$1,569,130 in American Rescue Plan Act funds.

Major Initiatives

Zoning Regulations

The Planning and Zoning Commission adopted in 2016 a complete revision of its zoning regulations, which are expected to encourage economic growth through increased clarity and modernization.

Economic Development

The Economic Development Commission is committed to expanding the Town's commercial and industrial base and constantly looks for opportunities to create readily marketable properties in the Town's industrial and commercial zoned areas, including the adaptive reuse of former mill sites.

The Town recently updated its website to feature the Town's most favorable attributes. The Commission is pursuing grants for property development, facilities improvements, and recreational funding. In 2016 the Town was awarded \$1.5 million to extend the Sue Grossman Trail, a bike and pedestrian greenway, into the downtown area.

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

Comprehensive Economic Development Strategy (CEDS)

The Northwest Connecticut Economic Development Commission (NWCTEDC), in which the Town is a participant, prepared in 2012 a Comprehensive Economic Development Strategy document. The plan identifies economic development projects which have positive impacts on the regional and local economy. The CEDS document affords the Town access to Federal Economic Development Administration grant and loan funds.

Regional Outreach

In conjunction with the CEDS project, the Town is also a member of the Northwest Hills Council of Governments (NHCOG), a regional planning organization. A popular and effective program among the twenty-one member towns is the Public Works Equipment Cooperative, which enables member towns to share pieces of heavy-duty equipment related to public works activities.

Brownfields

In 2015 the Town was awarded \$600,000 in State of Connecticut grants for brownfield assessment and remediation of a long-vacant and deteriorating town-controlled site: \$100,000 was funded by the Department of Community and Economic Development's Municipal Brownfield Assessment and Inventory (MBAI) program, and the remaining \$500,000 was received from the Office of Policy and Management's Small Town Economic Assistance Program (STEAP). The remediation of this property, now known as Winsted Edgeworks, is complete. The site now hosts a local craft brewery and pub at 32 Lake Street.

Development

During the fiscal year the Town noted the opening of the new 28,000 sf Hartford Hospital Urgent Care medical center on South Main Street.

Labor Contracts

During the fiscal year the Town renewed its contract with the UPSEU Cops Unit #330. The new contract expires June 30, 2022 and comprises approximately 20 employees.

Infrastructure

Since July 2016 the Town has reconstructed and/or resurfaced more than 13 miles of local roads. During the fiscal year the Town completed replacement of the Sucker Brook culvert under West Wakefield Boulevard.

In September 2019 Town residents approved a \$17.4 million referendum to renovate the Mary P. Hinsdale School with \$7 million of that cost being funded by the State of Connecticut. During the fiscal year the Hinsdale School Renovation Committee awarded a construction contract for the renovation and authorized architectural planning for the project. Groundbreaking occurred in May 2021 and the project is targeted for completion in time to receive students for the 2022-2023 school year.

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Budgetary Controls

Under the direction of the Finance Director, the Town has reviewed and revised its budgetary controls, and 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 Finance Director. 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 at 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 have not been accomplished without the services of the members of the Department of Finance, including Treasurer Cynthia Rines, other Town staff and Nancy O'Dea-Wyrick, Director of Finance and Business Services for the Winchester Board of Education. I would also like to thank the Board of Selectmen for its continued interest, efforts, and support in planning and conducting the financial operations of the Town in a responsible and professional manner.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bruce B. Stratford". The signature is written in a cursive style with a large initial "B".

Bruce B. Stratford CPA CFE CFF
Director of Finance

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Winchester, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

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 on pages 10 to 18 and 67 to 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

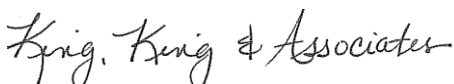
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winchester, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021 on our consideration of the Town of Winchester, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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
December 22, 2021

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

As management of the Town of Winchester, we offer readers of the Town of Winchester's financial statements this narrative overview and analysis of the financial activities of the Town of Winchester for the fiscal year ended June 30, 2021.

Financial Highlights

- The assets of the Town of Winchester exceeded its liabilities at the close of the most recent fiscal year by \$79,027,088 (*net position*). Governmental activities reflect an unrestricted net position in the amount of \$330,830 available to be used to meet ongoing obligations to citizens and creditors. Business-type activities have an unrestricted net position of \$3,523,454.
- The government's total net position increased by \$4,170,226.
- As of the close of the current fiscal year, the Town of Winchester's governmental funds reported combined ending fund balances of \$18,046,861, an increase of \$5,366,526 in comparison with the prior year.
- At the end of the current fiscal year, unassigned and assigned, and total fund balances for the General Fund were \$8,065,716 and \$10,523,770, respectively.

Overview of the Financial Statements

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

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

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

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

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

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

The government-wide financial statements can be found on pages 19-20 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 twenty-seven (27) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Sewer Assessment Fund, Federal and State Education Grants Fund, Grants and Donations Fund, and Hinsdale Renovation Project. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 21-24 of this report.

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

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

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

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

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 30-66 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 \$79,027,088 at the close of the most recent fiscal year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 23,707,425	\$ 15,785,121	\$ 3,904,287	\$ 3,925,412	\$ 27,611,712	\$ 19,710,533
Capital Assets	<u>49,904,392</u>	<u>46,222,426</u>	<u>25,379,877</u>	<u>25,658,789</u>	<u>75,284,269</u>	<u>71,881,215</u>
Total Assets	<u>73,611,817</u>	<u>62,007,547</u>	<u>29,284,164</u>	<u>29,584,201</u>	<u>102,895,981</u>	<u>91,591,748</u>
Deferred Outflows of Resources	<u>2,798,727</u>	<u>3,373,647</u>	<u>9,858</u>	<u>19,716</u>	<u>2,808,585</u>	<u>3,393,363</u>
Long-term Liabilities	18,513,732	15,285,423	539,147	718,076	19,052,879	16,003,499
Other Liabilities	<u>4,968,088</u>	<u>2,335,371</u>	<u>211,424</u>	<u>110,973</u>	<u>5,179,512</u>	<u>2,446,344</u>
Total Liabilities	<u>23,481,820</u>	<u>17,620,794</u>	<u>750,571</u>	<u>829,049</u>	<u>24,232,391</u>	<u>18,449,843</u>
Deferred Inflows of Resources	<u>2,445,087</u>	<u>1,446,989</u>	<u>-</u>	<u>-</u>	<u>2,445,087</u>	<u>1,446,989</u>
Net Position:						
Net Investment in Capital Assets	47,648,554	44,417,410	25,019,997	25,103,686	72,668,551	69,521,096
Restricted	2,504,253	2,337,938	-	-	2,504,253	2,337,938
Unrestricted	<u>330,830</u>	<u>(441,937)</u>	<u>3,523,454</u>	<u>3,671,182</u>	<u>3,854,284</u>	<u>3,229,245</u>
Total Net Position	<u>\$ 50,483,637</u>	<u>\$ 46,313,411</u>	<u>\$ 28,543,451</u>	<u>\$ 28,774,868</u>	<u>\$ 79,027,088</u>	<u>\$ 75,088,279</u>

\$72,668,551 of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

\$1,310,594 of the restricted portion of the Town of Winchester's net position represents net position restricted for Community Development, \$48,558 is restricted for Soldiers Monument Restoration, \$257,700 is restricted for Grants & Donations, \$242,649 is restricted for Anti Blight, and \$340,421 is restricted for other purposes. The remaining restricted portion, \$304,331, represents net position restricted for purposes of trust. Unrestricted net position in the amount of \$330,830 may be used to meet ongoing obligations to citizens and creditors.

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

TOWN OF WINCHESTER, CONNECTICUT
Management's Discussion and Analysis
June 30, 2021

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 24,683,726	\$ 24,228,706	\$ -	\$ -	\$ 24,683,726	\$ 24,228,706
Unrestricted Grants & Contributions	592,243	580,970	-	-	592,243	580,970
Unrestricted Investment Income	19,897	193,301	2,580	15,379	22,477	208,680
Other General Revenues, Net	69,753	58,060	-	-	69,753	58,060
<i>Program Revenues:</i>						
Charges for Services	1,283,796	934,599	3,727,985	3,619,156	5,011,781	4,553,755
Operating Grants and Contributions	15,806,665	14,733,522	-	-	15,806,665	14,733,522
Capital Grants and Contributions	2,672,166	1,166,882	-	-	2,672,166	1,166,882
Total Revenues	<u>45,128,246</u>	<u>41,896,040</u>	<u>3,730,565</u>	<u>3,634,535</u>	<u>48,858,811</u>	<u>45,530,575</u>
EXPENSES						
<i>Governmental Activities:</i>						
General Government	3,546,158	3,466,896	-	-	3,546,158	3,466,896
Public Safety	5,791,474	5,186,461	-	-	5,791,474	5,186,461
Public Works	2,920,338	3,206,158	-	-	2,920,338	3,206,158
Health	620,927	615,805	-	-	620,927	615,805
Library	229,383	222,702	-	-	229,383	222,702
Parks and Recreation	380,722	411,335	-	-	380,722	411,335
Waste Disposal and Recycling	202,950	202,950	-	-	202,950	202,950
Interest on Long-Term Debt	62,670	83,212	-	-	62,670	83,212
Education	27,203,135	26,226,649	-	-	27,203,135	26,226,649
<i>Business-Type Activities:</i>						
Waterworks	-	-	1,941,434	1,753,902	1,941,434	1,753,902
Sewer	-	-	2,020,811	1,978,357	2,020,811	1,978,357
Total Expenses	<u>40,957,757</u>	<u>39,622,168</u>	<u>3,962,245</u>	<u>3,732,259</u>	<u>44,920,002</u>	<u>43,354,427</u>
Change in Net Position Before Transfers, and Contributions to Permanent Funds	<u>4,170,489</u>	<u>2,273,872</u>	<u>(231,680)</u>	<u>(97,724)</u>	<u>3,938,809</u>	<u>2,176,148</u>
Transfers	<u>(263)</u>	<u>(57,520)</u>	<u>263</u>	<u>57,520</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,170,226	2,216,352	(231,417)	(40,204)	3,938,809	2,176,148
Beginning Net Position	<u>46,313,411</u>	<u>44,097,059</u>	<u>28,774,868</u>	<u>28,815,072</u>	<u>75,088,279</u>	<u>72,912,131</u>
Ending Net Position	<u>\$ 50,483,637</u>	<u>\$ 46,313,411</u>	<u>\$ 28,543,451</u>	<u>\$ 28,774,868</u>	<u>\$ 79,027,088</u>	<u>\$ 75,088,279</u>

Governmental Activities

Governmental activities increased the Town of Winchester's net position by \$4,170,226. Fifty-five percent (55%) of the revenues of the Town were derived from property taxes, followed by Forty-two percent (42%) from grants and contributions, three percent (3%) from fees for services, and less than one percent (1%) from other.

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

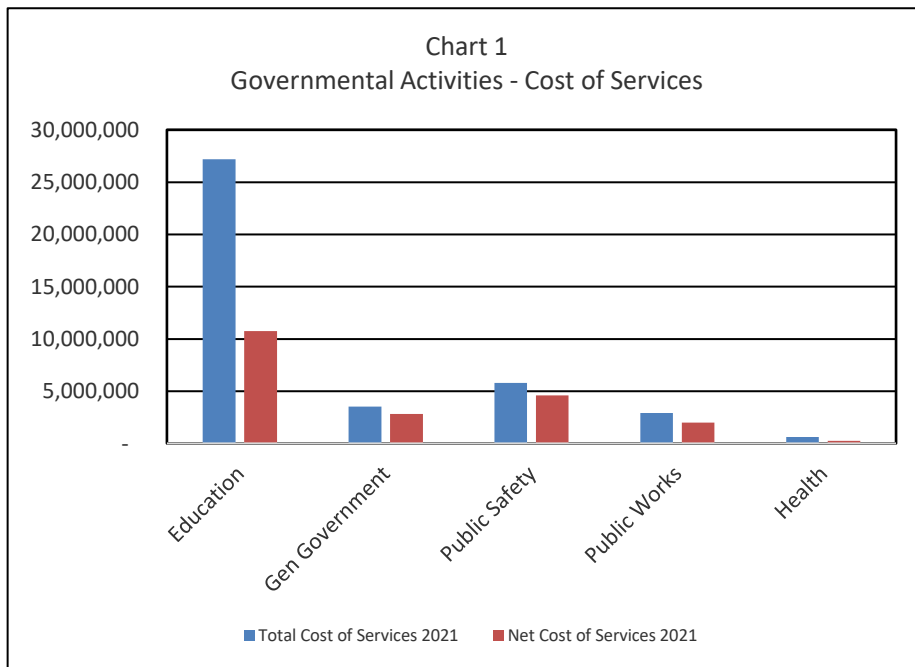
- \$350,000 increase in Charges for Services due to increase in Town Clerk fees from conveyance taxes, increase in lieu of taxes collections, and an increase from the reclassification of blight fees from Operating Grants and Contributions to Charges for Services.
- \$1,500,000 increase in Capital Grants and Contributions due to federal and state grant funding for Hinsdale School Renovation Project and Regional Radio Grant.
- \$1,000,000 increase in Operating Grants and Contributions due to the revenue recognized for the Teachers' Retirement System.

For Governmental Activities, 66% of the Town's expenses relate to education, 16% relate to public safety and health, 7% relate to public works, and the remaining 11% relates to government and community services, administration, and other areas.

Major expense factors include:

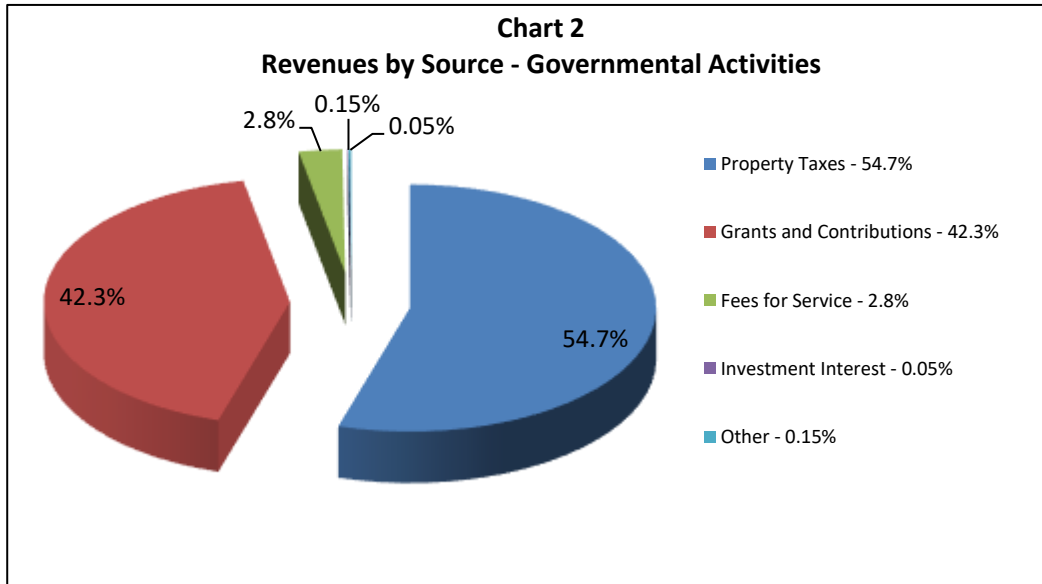
- \$600,000 increase in Public Safety expense due Regional Radio Grant expenditure.
- \$1,000,000 increase in Education expense primarily due to the expenditures recognized for the Teachers' Retirement System.

Chart 1 presents the costs of each of the five largest programs, as well as each program's net cost (total cost less revenues generated by the activities). The Net Cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.



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

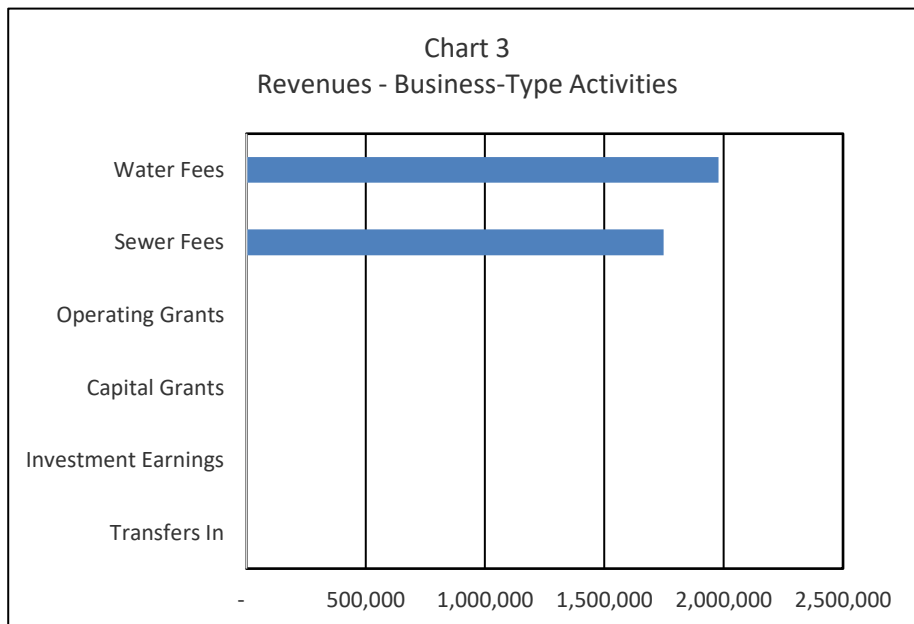


Business-Type activities

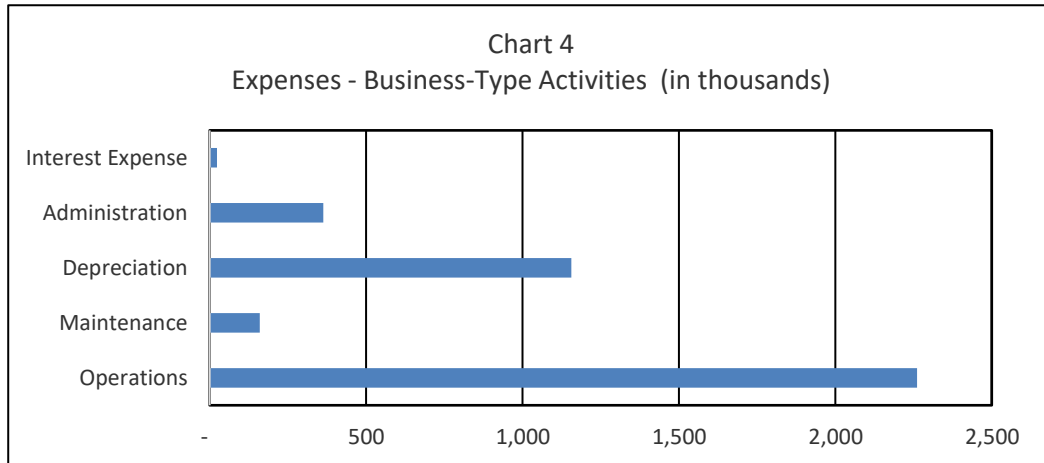
Business-type activities decreased the Town of Winchester's net position by \$231,417. Ninety-nine percent (99%) of the revenues of the business-type activities were derived from charges for services and less than one percent (1%) was from investment income. Key elements of enterprise fund performance are as follows:

- Total revenues increased by \$96,000 compared to the previous year's revenues.
- Total expenses increased by \$230,000 compared to the previous year's expenses.

Charts 3 and 4 reflect the water/sewer utility operations for fiscal year 2021 regarding sources of revenue and classes of expenses.



TOWN OF WINCHESTER, CONNECTICUT
 Management's Discussion and Analysis
 June 30, 2021



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 \$18,046,861, an increase of \$5,366,526 in comparison with the prior year.

General Fund. The General Fund is the chief operating fund of the Town of Winchester. At June 30, 2021, the General Fund's fund balance was \$10,523,770 of which \$517,872 was committed to education and \$1,940,182 was committed to capital improvements. There was also \$230,892 assigned to general government encumbrances, \$314,000 assigned to fiscal year 2022 General Fund Budget, and \$200,000 assigned fund balance subject to Board of Selectman's approval. The remaining \$7,320,824 is classified as unassigned General Fund balance. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned and total fund balances to total fund expenditures. At June 30, 2021, unassigned and total General Fund balances represented 22.7% and 32.7% of total budget basis General Fund expenditures, respectively. See page 71 for budgetary basis data.

The fund balance of the Town of Winchester's General Fund increased by \$1,401,804 during the current fiscal year.

Federal and State Education Grants Fund. The Federal and State Education Grants Fund revenues and expenses were \$3,169,807. Grant revenues in the fund are recognized when they are expended. Major grant revenue recognized in the current fiscal year were from the following grants Title I – Improving Basic Programs, Alliance District, Excess Cost, and the Commissioner Network.

Grants and Donations Fund. The fund balance of the Grants and Donations Fund increased by \$72,812 during the current fiscal year due to charges for services being in excess of related expenditures, as a result of additional grant funding covering other related expenditures. The Grants and Donations Fund also received \$1,569,130 in the ARPA grant that is reported as unearned revenue in the current fiscal year.

TOWN OF WINCHESTER, CONNECTICUT

Management's Discussion and Analysis

June 30, 2021

Sewer Assessment Fund. The fund balance of the Sewer Assessment Fund increased by \$708 during the current fiscal year due to collections of \$87,708, less the transfer out of \$87,000.

Hinsdale Renovation Project. The Hinsdale Renovation Project is a new fund created in fiscal year 2021 to track and fund the Hinsdale School Renovation Project. There is a remaining fund balance of \$4,183,661 at the end of the current fiscal year. There was a large surplus from the Hinsdale Renovation Project because of the issuance of \$5,000,000 general obligation note proceeds for future expenditures.

General Fund Budgetary Highlights

The General Fund Budgetary Highlights are as follows:

- \$197,000 of intergovernmental revenues in excess of budget.
- \$307,027 of expenditure savings in the Education function. \$107,027 of these funds have been transferred to a non-lapsing Education function account as permitted by Connecticut statutes. \$200,000 of these funds have been moved into an assigned fund balance subject to the Board of Selectmen's approval.
- \$315,000 of property taxes, interest and lien fees collected in excess of budget.
- \$235,000 of expenditure savings in the General Government function.
- \$90,000 of expenditure savings in the Public Safety function.
- Transfer of \$1,250,000 to the Capital Improvements Fund.

Capital Asset and Debt Administration

Capital Assets: The Town of Winchester's reported value in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$75,284,269 (net of accumulated depreciation). The reported value in capital assets includes land and buildings, vehicles, machinery and equipment. Major capital asset events during the current fiscal year included the following:

- Hinsdale School Renovation project commencement.
- Vehicle and equipment replacements (Public Works and Public Safety.)
- Pearson School bathroom, fountains, and elevator upgrade projects.
- Overlook Road reconstruction.
- Sucker Brook culvert under West Wakefield Boulevard replacement.
- Fire Department radio system upgrade.
- Litchfield County Dispatch conversion.

	2021	2020
<i>Governmental Activities:</i>		
Land	\$ 25,839,045	\$ 25,839,045
Construction in Progress	3,282,538	952,193
Buildings	2,092,436	2,157,793
Improvements	2,833,914	2,349,744
Machinery and Equipment	4,059,108	3,323,727
Infrastructure	11,797,351	11,599,924
	<u>\$ 49,904,392</u>	<u>\$ 46,222,426</u>

TOWN OF WINCHESTER, CONNECTICUT
 Management's Discussion and Analysis
 June 30, 2021

	2021	2020
<i>Business-type Activities:</i>		
Land	\$ 85,476	\$ 85,476
Construction in Progress	297,707	113,119
Buildings	15,059,192	15,770,009
Improvements	1,290,566	1,275,314
Machinery and Equipment	762,387	346,103
Infrastructure	7,884,549	8,068,768
	\$ 25,379,877	\$ 25,658,789

Additional information on the Town of Winchester's capital assets can be found in Note 3 on pages 41-42 of this report.

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

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
<u>Note</u>					
6/8/2021	Hinsdale Project	Variable	\$ 5,000,000	\$ 5,000,000	June 2024
<u>Bonds</u>					
8/14/2008	Public Improvements	4.02	\$ 6,316,000	1,256,000	Aug. 2023
8/15/2002	Sewer	2.00-5.00	6,290,000	150,000	June 2022
<u>Other</u>					
1/31/2008	Clean Water Fund Loans	2.00	642,019	203,823	Jan. 2027
	Total			\$ 6,609,823	

The Town of Winchester's total borrowings increased by \$4,390,836 during the current fiscal year, primarily due to the issuance of a general obligation note to fund the Hinsdale School Renovation project. Additional information on the Town of Winchester's long-term debt can be found in Note 3 on pages 43-45 of this report.

Economic Factors and Next Year's Budgets and Rates

- Recent price inflation and supply chain disruptions.
- COVID-19 pandemic impact on the state economy.
- Recent economic development impact on Grand List growth.
- Continued capital investment to address aging infrastructure and equipment.
- Uncertainty of State municipal aid grants continuing at historical funding levels.

Request for Information

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

Basic Financial Statements

TOWN OF WINCHESTER, CONNECTICUT

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 19,637,484	\$ 2,453,713	\$ 22,091,197
Restricted Cash	220,703	-	220,703
Receivables, Net of Allowance	4,142,470	235,804	4,378,274
Other Assets	4,542	895,771	900,313
Internal Balances	(318,999)	318,999	-
Prepays	21,225	-	21,225
Capital Assets:			
Assets Not Being Depreciated	29,121,583	383,183	29,504,766
Assets Being Depreciated, Net	<u>20,782,809</u>	<u>24,996,694</u>	<u>45,779,503</u>
Total Assets	<u>73,611,817</u>	<u>29,284,164</u>	<u>102,895,981</u>
Deferred Outflows of Resources			
Deferred Outflows - Pension and OPEB	2,798,727	-	2,798,727
Deferred Charge on Refunding	-	9,858	9,858
Total Deferred Outflows of Resources	<u>2,798,727</u>	<u>9,858</u>	<u>2,808,585</u>
Liabilities			
Accounts Payable and Accrued Items	2,577,238	211,424	2,788,662
Performance Bonds	220,703	-	220,703
Due to Other Governments	153,130	-	153,130
Unearned Revenue	2,017,017	-	2,017,017
Noncurrent Liabilities:			
Due Within One Year	781,476	276,638	1,058,114
Due In More Than One Year	<u>17,732,256</u>	<u>262,509</u>	<u>17,994,765</u>
Total Liabilities	<u>23,481,820</u>	<u>750,571</u>	<u>24,232,391</u>
Deferred Inflows of Resources			
Deferred Inflows - Pension and OPEB	<u>2,445,087</u>	-	<u>2,445,087</u>
Total Deferred Inflows of Resources	<u>2,445,087</u>	-	<u>2,445,087</u>
Net Position			
Net Investment in Capital Assets	47,648,554	25,019,997	72,668,551
Restricted for Community Development	1,310,594	-	1,310,594
Restricted for Soldiers Monument Restoration	48,558	-	48,558
Restricted for Grants & Donations	257,700	-	257,700
Restricted for Other Purposes	583,070	-	583,070
Restricted for Purposes of Trust:			
Nonexpendable	187,376	-	187,376
Expendable	116,955	-	116,955
Unrestricted	<u>330,830</u>	<u>3,523,454</u>	<u>3,854,284</u>
Total Net Position	<u>\$ 50,483,637</u>	<u>\$ 28,543,451</u>	<u>\$ 79,027,088</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, 2021

Functions/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$ 3,546,158	\$ 720,627	\$ 438	\$ -	\$ (2,825,093)	\$ -	\$ (2,825,093)
Library	229,383	-	-	-	(229,383)	-	(229,383)
Waste Disposal and Recycling	202,950	-	-	-	(202,950)	-	(202,950)
Public Safety	5,791,474	76,131	355,828	769,650	(4,589,865)	-	(4,589,865)
Public Works	2,920,338	260,000	299,812	350,539	(2,009,987)	-	(2,009,987)
Health	620,927	76,989	291,183	687	(252,068)	-	(252,068)
Parks and Recreation	380,722	125,023	-	-	(255,699)	-	(255,699)
Education	27,203,135	25,026	14,859,404	1,551,290	(10,767,415)	-	(10,767,415)
Interest on Long-Term Debt	62,670	-	-	-	(62,670)	-	(62,670)
Total Governmental Activities	40,957,757	1,283,796	15,806,665	2,672,166	(21,195,130)	-	(21,195,130)
Business-Type Activities:							
Waterworks	1,941,434	1,978,809	-	-	-	37,375	37,375
Sewer	2,020,811	1,749,176	-	-	-	(271,635)	(271,635)
Total Business-Type Activities	3,962,245	3,727,985	-	-	-	(234,260)	(234,260)
Total Primary Government	\$ 44,920,002	\$ 5,011,781	\$ 15,806,665	\$ 2,672,166	(21,195,130)	(234,260)	(21,429,390)
General Revenues:							
Property Taxes					24,683,726	-	24,683,726
Grants and Contributions not Restricted to Specific Programs					592,243	-	592,243
Unrestricted Investment Earnings					19,897	2,580	22,477
Miscellaneous					69,753	-	69,753
Transfers					(263)	263	-
Total General Revenues and Transfers					25,365,356	2,843	25,368,199
Change in Net Position					4,170,226	(231,417)	3,938,809
Net Position at Beginning of Year					46,313,411	28,774,868	75,088,279
Net Position at End of Year					\$ 50,483,637	\$ 28,543,451	\$ 79,027,088

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

TOWN OF WINCHESTER, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2021

	General	Federal and State Education Grants Fund	Grants & Donations Fund	Sewer Assessment	Hinsdale Renovation Project	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and Cash Equivalents	\$ 12,036,059	\$ -	\$ 1,765,449	\$ -	\$ 4,000,162	\$ 1,835,814	\$ 19,637,484
Restricted Cash	220,703	-	-	-	-	-	220,703
Receivables, Net of Allowance	936,099	948	150,369	94,946	1,158,148	1,801,960	4,142,470
Prepays	6,700	-	-	-	-	14,525	21,225
Due from Other Funds	639,042	435,517	-	-	-	938,688	2,013,247
Other Assets	-	-	-	-	-	4,542	4,542
Total Assets	\$ 13,838,603	\$ 436,465	\$ 1,915,818	\$ 94,946	\$ 5,158,310	\$ 4,595,529	\$ 26,039,671
Liabilities							
Accounts Payable and Accrued Items	\$ 1,422,257	\$ -	\$ 44,887	\$ 305	\$ 761,259	\$ 348,530	\$ 2,577,238
Performance Bonds	220,703	-	-	-	-	-	220,703
Due to Other Funds	1,074,343	-	32,679	705,773	213,390	306,061	2,332,246
Due to Other Governments	-	-	-	-	-	153,130	153,130
Unearned Revenue	-	436,465	1,580,552	-	-	-	2,017,017
Total Liabilities	2,717,303	436,465	1,658,118	706,078	974,649	807,721	7,300,334
Deferred Inflows of Resources							
Unavailable Revenue:							
Property Taxes and Interest	597,530	-	-	-	-	-	597,530
Sewer Assessment Charges	-	-	-	94,946	-	-	94,946
Total Deferred Inflows of Resources	597,530	-	-	94,946	-	-	692,476
Fund Balances							
Nonspendable	-	-	-	-	-	187,376	187,376
Restricted	-	-	257,700	-	-	2,059,177	2,316,877
Committed	2,458,054	-	-	-	4,183,661	1,541,255	8,182,970
Assigned	744,892	-	-	-	-	-	744,892
Unassigned	7,320,824	-	-	(706,078)	-	-	6,614,746
Total Fund Balances	10,523,770	-	257,700	(706,078)	4,183,661	3,787,808	18,046,861
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,838,603	\$ 436,465	\$ 1,915,818	\$ 94,946	\$ 5,158,310	\$ 4,595,529	\$ 26,039,671

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, 2021

Fund balances reported in governmental funds Balance Sheet \$ 18,046,861

**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>	84,483,507
<i>Depreciation</i>	(34,579,115)

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>	597,530
<i>Sewer assessments and interest receivable greater than 60 days</i>	94,946

Certain changes related to pensions are deferred and amortized over time. 353,640

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

<i>Bonds payable</i>	(1,256,000)
<i>General Obligation Note</i>	(5,000,000)
<i>Net Pension Liability</i>	(3,471,732)
<i>Net Pension Liability - MERS</i>	(3,860,309)
<i>OPEB liability</i>	(3,256,148)
<i>Claims and judgments</i>	(725,306)
<i>Compensated Absences</i>	(944,237)

Net position of governmental activities \$ 50,483,637

TOWN OF WINCHESTER, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Federal and State Education Grants Fund	Grants & Donations Fund	Sewer Assessment	Hinsdale Renovation Project	Nonmajor Governmental Funds	Total
Revenues							
Property Taxes, Interest and Lien Fees	\$ 24,690,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,690,409
Intergovernmental Revenues	10,230,062	3,169,807	1,081,802	-	1,551,290	1,101,282	17,134,243
Interest and Dividends	16,028	-	64	-	162	3,643	19,897
Charges for Services	623,175	-	141,455	87,708	-	25,026	877,364
Licenses, Fees and Permits	349,092	-	-	-	-	-	349,092
Other Revenue	69,753	-	34,460	-	-	155,352	259,565
Total Revenues	<u>35,978,519</u>	<u>3,169,807</u>	<u>1,257,781</u>	<u>87,708</u>	<u>1,551,452</u>	<u>1,285,303</u>	<u>43,330,570</u>
Expenditures							
Current:							
General Government	3,238,407	-	12,000	-	-	42,588	3,292,995
Library	229,383	-	-	-	-	-	229,383
Miscellaneous	649,155	-	-	-	-	-	649,155
Waste Disposal and Recycling	202,950	-	-	-	-	-	202,950
Public Safety	4,159,561	-	1,106,301	-	-	-	5,265,862
Public Works	2,211,331	-	-	-	-	-	2,211,331
Health	345,967	-	9,260	-	-	284,308	639,535
Parks and Recreation	313,676	-	57,408	-	-	-	371,084
Education	21,112,915	3,169,807	-	-	-	507,817	24,790,539
Program and Project Expenditures	416,376	-	-	-	-	-	416,376
Debt Service:							
Principal Retirement	420,000	-	-	-	-	129,017	549,017
Interest	58,933	-	-	-	-	3,736	62,669
Capital Outlay	-	-	-	-	2,087,236	3,009,776	5,097,012
Total Expenditures	<u>33,358,654</u>	<u>3,169,807</u>	<u>1,184,969</u>	<u>-</u>	<u>2,087,236</u>	<u>3,977,242</u>	<u>43,777,908</u>
Excess/(Deficiency) of Revenues over Expenditures	2,619,865	-	72,812	87,708	(535,784)	(2,691,939)	(447,338)
Other Financing Sources/(Uses)							
Issuance of Note	-	-	-	-	5,000,000	-	5,000,000
Transfers In	31,939	-	-	-	-	2,399,480	2,431,419
Transfers Out	(1,250,000)	-	-	(87,000)	(280,555)	-	(1,617,555)
Total Other Financing Sources/(Uses)	<u>(1,218,061)</u>	<u>-</u>	<u>-</u>	<u>(87,000)</u>	<u>4,719,445</u>	<u>2,399,480</u>	<u>5,813,864</u>
Net Change in Fund Balances	1,401,804	-	72,812	708	4,183,661	(292,459)	5,366,526
Fund Balances at Beginning of Year	<u>9,121,966</u>	<u>-</u>	<u>184,888</u>	<u>(706,786)</u>	<u>-</u>	<u>4,080,267</u>	<u>12,680,335</u>
Fund Balances at End of Year	<u>\$ 10,523,770</u>	<u>\$ -</u>	<u>\$ 257,700</u>	<u>\$ (706,078)</u>	<u>\$ 4,183,661</u>	<u>\$ 3,787,808</u>	<u>\$ 18,046,861</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, 2021

Net change in fund balances - total governmental funds \$ 5,366,526

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 expenditures</i>	5,120,764
<i>Depreciation expense</i>	(1,432,879)
<i>Loss on Sale of Capital Asset</i>	(5,919)

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>	(6,683)
<i>Sewer assessment and interest revenue accrual basis change</i>	(70,256)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

<i>General obligation note</i>	(5,000,000)
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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>General obligation bond principal payments</i>	420,000
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<i>Amortization of deferred outflows related to pension and OPEB benefits</i>	(574,920)
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<i>Amortization of deferred inflows related to pension and OPEB benefits</i>	(998,098)
--	-----------

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>Capital leases</i>	129,016
<i>Net Pension Liability</i>	1,965,114
<i>Net Pension Liability - MERS</i>	(455,180)
<i>OPEB liability</i>	(406,647)
<i>Claims and judgments</i>	66,606
<i>Compensated Absences</i>	<u>52,782</u>

Change in net position of governmental activities **\$ 4,170,226**

TOWN OF WINCHESTER, CONNECTICUT

Statement of Fund Net Position

Proprietary Funds

June 30, 2021

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$ 1,712,857	\$ 740,856	\$ 2,453,713
Rents and Assessments Receivable, Net	97,978	103,027	201,005
Interest Receivable	18,427	16,372	34,799
Accrued Utility Revenue	490,589	405,182	895,771
Total Current Assets	<u>2,319,851</u>	<u>1,265,437</u>	<u>3,585,288</u>
Noncurrent Assets:			
Due from Other Funds	226,682	705,773	932,455
Nondepreciable Capital Assets	346,463	36,720	383,183
Capital Assets, Net of Accumulated Deprecation	12,567,232	12,429,462	24,996,694
Total Noncurrent Assets	<u>13,140,377</u>	<u>13,171,955</u>	<u>26,312,332</u>
Total Assets	<u>\$ 15,460,228</u>	<u>\$ 14,437,392</u>	<u>\$ 29,897,620</u>
Deferred Outflows of Resources			
Unamortized Bond Costs	<u>-</u>	<u>9,858</u>	<u>9,858</u>
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Items	\$ 124,180	\$ 87,244	\$ 211,424
Due to Other Funds	249,328	364,128	613,456
Current Portion of Long-Term Debt	45,526	231,112	276,638
Total Current Liabilities	<u>419,034</u>	<u>682,484</u>	<u>1,101,518</u>
Noncurrent Liabilities:			
Compensated Absences	61,660	31,880	93,540
Clean Water Fund Loans	-	168,969	168,969
Bonds Payable	-	-	-
Total Noncurrent Liabilities	<u>61,660</u>	<u>200,849</u>	<u>262,509</u>
Total Liabilities	<u>480,694</u>	<u>883,333</u>	<u>1,364,027</u>
Deferred Inflows of Resources			
	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net Investment in Capital Assets	12,913,695	12,106,302	25,019,997
Unrestricted	2,065,839	1,457,615	3,523,454
Total Net Position	<u>\$ 14,979,534</u>	<u>\$ 13,563,917</u>	<u>\$ 28,543,451</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, 2021

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services	\$ 1,928,378	\$ 1,706,097	\$ 3,634,475
Fines, Penalties and Interest	<u>50,431</u>	<u>43,079</u>	<u>93,510</u>
Total Operating Revenues	<u>1,978,809</u>	<u>1,749,176</u>	<u>3,727,985</u>
OPERATING EXPENSES			
Operations	1,185,987	1,075,286	2,261,273
Maintenance	69,463	90,374	159,837
Depreciation Expense	504,521	651,147	1,155,668
Administration	<u>181,463</u>	<u>181,462</u>	<u>362,925</u>
Total Operating Expenses	<u>1,941,434</u>	<u>1,998,269</u>	<u>3,939,703</u>
Operating Income/(Loss)	37,375	(249,093)	(211,718)
NONOPERATING EXPENSES			
Interest Income	1,760	820	2,580
Interest Expense	<u>-</u>	<u>(22,542)</u>	<u>(22,542)</u>
Total Nonoperating Expenses	<u>1,760</u>	<u>(21,722)</u>	<u>(19,962)</u>
Income/(Loss) before Transfers, and Capital Contributions	<u>39,135</u>	<u>(270,815)</u>	<u>(231,680)</u>
Transfers:			
Transfers In	-	87,000	87,000
Transfers Out	<u>(479,963)</u>	<u>(420,901)</u>	<u>(900,864)</u>
Total Transfers	<u>(479,963)</u>	<u>(333,901)</u>	<u>(813,864)</u>
Capital Contributions	<u>471,121</u>	<u>343,006</u>	<u>814,127</u>
Change in Net Position	30,293	(261,710)	(231,417)
Net Position - Beginning of Year	<u>14,949,241</u>	<u>13,825,627</u>	<u>28,774,868</u>
Net Position - End of Year	<u>\$ 14,979,534</u>	<u>\$ 13,563,917</u>	<u>\$ 28,543,451</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, 2021

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers and Users	\$ 1,993,554	\$ 1,791,680	\$ 3,785,234
Receipts from Interfund Services	14,018	14,018	28,036
Payments to Employees	(179,898)	(166,734)	(346,632)
Payments to Suppliers	<u>(1,176,764)</u>	<u>(1,143,895)</u>	<u>(2,320,659)</u>
Net Cash Provided by Operating Activities	<u>650,910</u>	<u>495,069</u>	<u>1,145,979</u>
Cash Flows from Noncapital Financing Activities:			
Advance/(Repayment) from General Fund	(89,946)	(188,290)	(278,236)
Advance/(Repayment) from Sewer Assessments	-	401	401
Advance/(Repayment) from Proprietary Funds	<u>(13,441)</u>	<u>13,441</u>	<u>-</u>
Net Cash Used by Noncapital Financing Activities	<u>(103,387)</u>	<u>(174,448)</u>	<u>(277,835)</u>
Cash Flows from Capital and Related Financing Activities:			
Principal Payments on Bonds Payable	-	(155,000)	(155,000)
Principal Payments on Clean Water Fund Loans	-	(34,164)	(34,164)
Principal Payments on General Fund Bonds Payable	-	(28,000)	(28,000)
Advance/(Repayment) from W & S Cap Fund	249,328	178,578	427,906
Purchase of Capital Assets	(29,960)	(32,669)	(62,629)
Transfer (to)/from Other Funds	(479,963)	(388,962)	(868,925)
Interest Paid on Bonds Payable and Clean Water Fund Loans	-	(22,681)	(22,681)
Highland Lake Assessments	<u>-</u>	<u>87,000</u>	<u>87,000</u>
Net Cash Used by Capital and Related Financing Activities	<u>(260,595)</u>	<u>(395,898)</u>	<u>(656,493)</u>
Cash Flows from Investing Activities:			
Interest Income	<u>1,760</u>	<u>820</u>	<u>2,580</u>
Net Cash Provided by Investing Activities	<u>1,760</u>	<u>820</u>	<u>2,580</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	288,688	(74,457)	214,231
Cash and Cash Equivalents at Beginning of Year	<u>1,424,169</u>	<u>815,313</u>	<u>2,239,482</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,712,857</u>	<u>\$ 740,856</u>	<u>\$ 2,453,713</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:			
Operating Income/(Loss)	\$ <u>37,375</u>	\$ <u>(249,093)</u>	\$ <u>(211,718)</u>
Adjustments to Reconcile Income to Net Cash Provided by Operating Activities:			
Depreciation	504,521	651,147	1,155,668
Change in Assets and Liabilities:			
(Increase) Decrease in Rents Receivable	36,933	55,116	92,049
(Increase) Decrease in Interest Receivable	(5,449)	(3,363)	(8,812)
(Increase) Decrease in Accrued Utility Revenue	(2,721)	4,769	2,048
Increase (Decrease) in Accounts Payable and Accrued Expenses	78,686	21,765	100,451
Increase (Decrease) in Accrued Vacation and Sick Leave Benefits	<u>1,565</u>	<u>14,728</u>	<u>16,293</u>
Total Adjustments	<u>613,535</u>	<u>744,162</u>	<u>1,357,697</u>
Net Cash Provided by Operating Activities	<u>\$ 650,910</u>	<u>\$ 495,069</u>	<u>\$ 1,145,979</u>
Noncash Capital and Related Financing Activity:			
Capital Contributions from Other Funds	\$ 471,121	\$ 343,006	\$ 814,127

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

TOWN OF WINCHESTER, CONNECTICUT

Statement of Fiduciary Net Position

June 30, 2021

	Pension Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
Assets		
Cash and Cash Equivalents	\$ -	\$ 10,579
Investments, at Fair Value:		
Short-Term Investments	3	-
Mutual Funds	<u>10,581,205</u>	<u>-</u>
Total Investments, at Fair Value	<u>10,581,208</u>	<u>-</u>
Accrued Income	<u>10,474</u>	<u>-</u>
Total Assets	<u>10,591,682</u>	<u>10,579</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Liabilities		
Payables	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position		
Restricted for Pension Benefits	10,591,682	-
Restricted for Individuals and Organizations	<u>-</u>	<u>10,579</u>
Total Net Position	<u>\$ 10,591,682</u>	<u>\$ 10,579</u>

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

TOWN OF WINCHESTER, CONNECTICUT

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2021

	Pension Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
Additions		
Activity Fees	\$ -	\$ 2,298
Contributions:		
Employer	653,248	-
Plan Members	<u>78,884</u>	<u>-</u>
Total Contributions	<u>732,132</u>	<u>-</u>
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	1,924,195	-
Interest and Dividends	<u>241,998</u>	<u>-</u>
Total Investment Income	<u>2,166,193</u>	<u>-</u>
Total Additions	<u>2,898,325</u>	<u>2,298</u>
Deductions		
Events and Activities	-	37
Benefits	887,091	-
Administrative expenses	<u>59,566</u>	<u>-</u>
Total Deductions	<u>946,657</u>	<u>37</u>
Change in Net Position	1,951,668	2,261
Net Position at Beginning of Year, Restated	<u>8,640,014</u>	<u>8,318</u>
Net Position at End of Year	<u>\$ 10,591,682</u>	<u>\$ 10,579</u>

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Basis of Presentation

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, with the exception of the agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *Federal and State Education Grants Fund* is to account for revenues and expenditures of various education grants.

The *Grants & Donations Fund* is to account for revenue and expenditures from estate bequeaths, citizen donations, restricted federal and state grants(FEMA, ARPA, Covid related, etc) and funds arising from organizations declaring a non-taxable status, as well as fee-based recreation programs.

The *Sewer Assessment Fund* is used to account for the sewer assessment revenues and expenditures related to the Highland Lake sewer project.

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

The Town reports the following major proprietary funds:

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

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

Additionally, the Town reports the following fund types:

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

The *Custodial Funds* account for monies held by the Town as a custodian for outside student and municipal groups.

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

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

Accounting Estimates

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

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

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

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

Fair Value of Financial Instruments

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

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

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

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

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

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Investments are carried at fair value based on Level 1 observable inputs and are presented in Note 3.

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

Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown net of an allowance for uncollectibles.

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

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

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

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports the deferred charge on refunding in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town also reports increases of Deferred Pension Expense in this category. Deferred pension expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. The Town reports decreases of Deferred Pension Expense in this category. Deferred pension expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and sewer assessments. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, and discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

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

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

Fund Equity and Net Position – Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

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

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

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

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

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

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

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

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

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, 2021, the unassigned General Fund Balance represented 22.7% of the 2021 General Fund budget basis expenditures. See page 71 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, 2017. 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.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

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

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. There were no additional appropriations for the year ended June 30, 2021.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 3 – DETAILED NOTES ON ALL FUNDS

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

The following is a summary of cash and cash equivalents at June 30, 2021:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	\$ 17,437,200	\$ 2,453,713	\$ 10,579	\$ 19,901,492
Cash Equivalents	2,200,284	-	-	2,200,284
Restricted Cash	220,703	-	-	220,703
Total	<u>\$ 19,858,187</u>	<u>\$ 2,453,713</u>	<u>\$ 10,579</u>	<u>\$ 22,322,479</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	\$ 22,322,479
Less: Cash Equivalents (STIF)	<u>(2,200,284)</u>
	<u>\$ 20,122,195</u>

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$20,122,195 and the bank balance was \$21,450,288. Of the bank balance, Federal Depository Insurance Corporation insured \$15,456,512.

As of June 30, 2021, \$5,993,776 of the Town’s bank balance of \$21,450,288 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,324,139
Uninsured and collateral held by pledging bank’s Trust department not in the Town’s name	<u>669,637</u>
Total	<u>\$ 5,993,776</u>

Cash Equivalents

At June 30, 2021, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$2,200,284. STIF is rated AAAM by S & P Global Ratings and has an average maturity of under 60 days.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Investments

As of June 30, 2021, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Amount</u>	<u>Investment Maturities (Years)</u>			
			<u>Not Applicable</u>	<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Short-Term Investments	N/A	\$ 3	\$ -	\$ 3	\$ -	\$ -
Mutual Funds	N/A	<u>10,581,205</u>	<u>10,581,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments		<u>\$ 10,581,208</u>	<u>\$ 10,581,205</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>

N/A - Not Applicable

The Short-Term Investments and Mutual Funds are reported in the Pension Trust Fund.

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

<u>Description</u>	<u>June 30, 2021</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Short-Term Investments	\$ 3	\$ 3	\$ -	\$ -
Mutual Funds	<u>10,581,205</u>	<u>10,581,205</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 10,581,208</u>	<u>\$ 10,581,208</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk- The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

Custodial Credit Risk- Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Receivables

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

	General Fund	Federal and State Education Grants Fund	Sewer Assessment	Grants & Donations Fund	Hinsdale Renovation Project	Waterworks	Sewer	Nonmajor and Other Funds	Total
Receivables:									
Property taxes	\$ 643,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,059
Interest, Liens, and Fees	191,440	-	3,928	-	-	18,427	16,372	-	230,167
Sewer assessment	-	-	91,018	-	-	-	-	-	91,018
Intergovernmental	-	948	-	109,986	1,158,148	-	-	603,137	1,872,219
Loans *	-	-	-	-	-	-	-	1,198,823	1,198,823
Rents and assessments	-	-	-	-	-	113,884	111,232	-	225,116
Accounts	<u>163,600</u>	<u>-</u>	<u>-</u>	<u>40,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,983</u>
Gross receivables	<u>998,099</u>	<u>948</u>	<u>94,946</u>	<u>150,369</u>	<u>1,158,148</u>	<u>132,311</u>	<u>127,604</u>	<u>1,801,960</u>	<u>4,464,385</u>
Less allowance for uncollectibles:									
Property taxes	(43,000)	-	-	-	-	-	-	-	(43,000)
Interest, Liens, and Fees	(19,000)	-	-	-	-	-	-	-	(19,000)
Rents and assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,906)</u>	<u>(8,205)</u>	<u>-</u>	<u>(24,111)</u>
Total allowance	<u>(62,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,906)</u>	<u>(8,205)</u>	<u>-</u>	<u>(86,111)</u>
Net Total Receivables	<u>\$ 936,099</u>	<u>\$ 948</u>	<u>\$ 94,946</u>	<u>\$ 150,369</u>	<u>\$ 1,158,148</u>	<u>\$ 116,405</u>	<u>\$ 119,399</u>	<u>\$ 1,801,960</u>	<u>\$ 4,378,274</u>

* Not expected to be collected within one year.

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 455,776	\$ -
Delinquent interest, liens, fees receivable	141,754	-
Education Grants Fund:		
Unexpended Grant Receipts	-	436,465
Grants & Donations Fund:		
Unexpended Grant Receipts	-	1,580,552
Sewer Assessment:		
Assessments receivable not yet due	91,018	-
Delinquent interest, liens, fees receivable	<u>3,928</u>	<u>-</u>
 Total Unavailable/Unearned Revenue for Governmental Funds	 <u>\$ 692,476</u>	 <u>\$ 2,017,017</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases & Adjustments</u>	<u>Ending Balances</u>
<i>Governmental Activities:</i>				
Capital assets, not being depreciated				
Land	\$ 25,839,045	\$ -	\$ -	\$ 25,839,045
Construction in Progress	952,193	2,497,718	(167,373)	3,282,538
Total capital assets, not being depreciated	<u>26,791,238</u>	<u>2,497,718</u>	<u>(167,373)</u>	<u>29,121,583</u>
Capital assets, being depreciated				
Buildings	5,573,746	-	-	5,573,746
Improvements	3,927,339	591,040	-	4,518,379
Machinery & Equipment	10,712,680	1,226,689	(9,865)	11,929,504
Infrastructure	32,367,605	972,690	-	33,340,295
Total capital assets, being depreciated	<u>52,581,370</u>	<u>2,790,419</u>	<u>(9,865)</u>	<u>55,361,924</u>
Less accumulated depreciation for:				
Buildings	3,415,953	65,357	-	3,481,310
Improvements	1,577,595	106,870	-	1,684,465
Machinery & Equipment	7,388,953	485,389	(3,946)	7,870,396
Infrastructure	20,767,681	775,263	-	21,542,944
Total accumulated depreciation, net	<u>33,150,182</u>	<u>1,432,879</u>	<u>(3,946)</u>	<u>34,579,115</u>
Total capital assets, being depreciated	<u>19,431,188</u>	<u>1,357,540</u>	<u>(5,919)</u>	<u>20,782,809</u>
<i>Governmental Activities capital assets, net</i>	<u>\$ 46,222,426</u>	<u>\$ 3,855,258</u>	<u>\$ (173,292)</u>	<u>\$ 49,904,392</u>
<i>Business-Type Activities:</i>				
Capital assets not being depreciated				
Land	\$ 85,476	\$ -	\$ -	\$ 85,476
Construction in Progress	113,119	184,588	-	297,707
Total capital assets, not being depreciated	<u>198,595</u>	<u>184,588</u>	<u>-</u>	<u>383,183</u>
Capital assets, being depreciated				
Buildings	35,540,811	-	-	35,540,811
Improvements	3,028,600	77,755	-	3,106,355
Machinery & Equipment	6,058,502	479,656	-	6,538,158
Infrastructure	16,458,259	134,757	-	16,593,016
Total capital assets, being depreciated	<u>61,086,172</u>	<u>692,168</u>	<u>-</u>	<u>61,778,340</u>
Less accumulated depreciation for:				
Buildings	19,770,802	710,817	-	20,481,619
Improvements	1,753,286	62,503	-	1,815,789
Machinery & Equipment	5,712,399	63,372	-	5,775,771
Infrastructure	8,389,491	318,976	-	8,708,467
Total accumulated depreciation	<u>35,625,978</u>	<u>1,155,668</u>	<u>-</u>	<u>36,781,646</u>
Total capital assets, being depreciated, net	<u>25,460,194</u>	<u>(463,500)</u>	<u>-</u>	<u>24,996,694</u>
<i>Business-Type Activities capital assets, net</i>	<u>\$ 25,658,789</u>	<u>\$ (278,912)</u>	<u>\$ -</u>	<u>\$ 25,379,877</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

Governmental activities:	
General Government	\$ 171,378
Public Safety	208,094
Public Works	950,072
Education	68,184
Parks and Recreation	<u>35,151</u>
Total Depreciation Expense	
Governmental Activities	<u>\$ 1,432,879</u>
Business-type activities	
Waterworks	\$ 493,027
Sewer	<u>662,641</u>
Total Depreciation Expense	
Business-Type Activities	<u>\$ 1,155,668</u>

Construction Commitments

The Town has several active construction projects as of June 30, 2021. At year-end, the Town's commitments are as follows:

	Spent to Date	Remaining Commitment
Mary P. Hinsdale School Renovation	\$ 3,038,035	\$ 11,626,965

The Town accepted a bid of \$13,068,000 in March 2021 for renovation of the Hinsdale School. Subsequent change orders and contracted architect services have increased the project commitment to \$14,665,000. A September 2019 referendum authorized the project at a total cost of \$17,425,000 of which \$16,889,000 was allocated to construction and architect fees.

Interfund Transfers, Receivables, and Payables

Transfer to:	Transfer from:					Total
	General Fund	Sewer Assessment Fund	Sewer Fund	Water Fund	Hinsdale Renovation Fund	
General Fund	\$ -	\$ -	\$ 31,939	\$ -	\$ -	\$ 31,939
Capital Improvements Fund	1,250,000	-	-	-	280,555	1,530,555
W&S Capital Improvements Fund	-	-	388,962	479,963	-	868,925
Sewer Fund	-	87,000	-	-	-	87,000
	<u>\$ 1,250,000</u>	<u>\$ 87,000</u>	<u>\$ 420,901</u>	<u>\$ 479,963</u>	<u>\$ 280,555</u>	<u>\$ 2,518,419</u>

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Interfund receivables and payables are a result of temporary loans and/or advances to various funds. The amount due from Sewer Assessments to the Sewer Fund, are not expected to be repaid within one year. The composition of interfund balances as of June 30, 2021 is as follows:

Due From:	Due To:					Total
	General Fund	Nonmajor Funds	Federal and State Education Grants Fund	Water Fund	Sewer Fund	
General Fund	\$ -	\$ 510,782	\$ 435,517	\$ 128,044	\$ -	\$ 1,074,343
Nonmajor Funds	306,061	-	-	-	-	306,061
Grants and Donations Fund	32,679	-	-	-	-	32,679
Hinsdale Renovation Project	213,390	-	-	-	-	213,390
Sewer Assessments	-	-	-	-	705,773	705,773
Sewer Fund	86,912	178,578	-	98,638	-	364,128
Water Fund	-	249,328	-	-	-	249,328
	<u>\$ 639,042</u>	<u>\$ 938,688</u>	<u>\$ 435,517</u>	<u>\$ 226,682</u>	<u>\$ 705,773</u>	<u>\$ 2,945,702</u>

Long-Term Debt

Changes in Long-Term Liabilities

Long-Term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 1,676,000	\$ -	\$ 420,000	\$ 1,256,000	\$ 420,000
General obligation note	-	5,000,000	-	5,000,000	-
Capital leases	129,016	-	129,016	-	-
Compensated absences	997,019	-	52,782	944,237	295,708
Heart and hypertension	791,912	-	66,606	725,306	65,768
Net Pension Liability	5,436,846	-	1,965,114	3,471,732	-
Net Pension Liability-MERS	3,405,129	455,180	-	3,860,309	-
OPEB liability	2,849,501	406,647	-	3,256,148	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 15,285,423</u>	<u>\$ 5,861,827</u>	<u>\$ 2,633,518</u>	<u>\$ 18,513,732</u>	<u>\$ 781,476</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 305,000	\$ -	\$ 155,000	\$ 150,000	\$ 150,000
Plus deferred amounts:					
Issuance premiums on refunding	12,116	-	6,058	6,058	6,058
Total bonds payable	<u>317,116</u>	<u>-</u>	<u>161,058</u>	<u>156,058</u>	<u>156,058</u>
Clean water fund loans	237,987	-	34,164	203,823	34,854
Compensated absences	162,973	16,293	-	179,266	85,726
Total Business-Type Activities Long-Term Liabilities	<u>\$ 718,076</u>	<u>\$ 16,293</u>	<u>\$ 195,222</u>	<u>\$ 539,147</u>	<u>\$ 276,638</u>

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

General Obligation Bonds and Note

The Town issued a general obligation note to provide funds for the renovation, improvements, and additions to the Mary P. Hinsdale Elementary School. The note is for up to \$10,000,000 with a maturity date of June 7, 2024. The interest on the note is a variable rate based on the SIFMA index plus the applicable margin determined at the beginning of each interest period. The applicable margin is based on the Town's current credit rating. The initial applicable margin is 0.55%. At June 30, 2021 the Town has drawn down \$5,000,000 and a remaining \$5,000,000 authorized and available balance.

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have also been issued for business-type activities.

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

Description	Date of Issue	Original Issue	Interest Rate	Date of Maturity	Annual Principal	Principal Outstanding June 30, 2021
General Purposes:						
Public Improvements	8/14/2008	6,316,000	4.02%	8/15/2023	\$ 416,000 - 425,000	\$ 1,256,000
Water and Sewer:						
General refunding	8/15/2002	6,290,000	2-5%	6/1/2022	150,000 - 490,000	<u>150,000</u>
						<u>\$ 1,406,000</u>

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

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

Year Ending	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 420,000	\$ 42,049	\$ 150,000	\$ 3,948
2023	420,000	25,165	-	-
2024	<u>5,416,000</u>	<u>8,362</u>	-	-
Total	<u>\$ 6,256,000</u>	<u>\$ 75,576</u>	<u>\$ 150,000</u>	<u>\$ 3,948</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Clean Water Fund Notes

The Town is currently participating in a capital project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs.” The notes were converted to permanent financing on January 31, 2008, and the balance as of June 30, 2021, was \$203,823. The notes carry an interest rate of 2%.

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

Year <u>Ending</u>	Business-Type Activities	
	Principal	Interest
2022	\$ 34,854	\$ 3,758
2023	35,558	3,055
2024	36,275	2,337
2025	37,007	1,605
2026	37,754	858
2027	22,375	150
Total	\$ 203,823	\$ 11,763

Clean Water Fund notes will be repaid by sewer user fees.

Bonds and Notes Authorized and Unissued

At June 30, 2021 there was \$7,109,925 authorized and unissued bonds and notes for costs related to the renovations, improvements, and additions to the Mary P. Hinsdale Elementary School.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 4 - FUND BALANCE ASSIGNMENTS

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	General Fund	Grants & Donations Fund	Sewer Assessment Fund	Hinsdale Renovation Project	Nonmajor Governmental Funds	Total
Fund balances:						
Nonspendable:						
Winchester Memorial Park Fund	\$ -	\$ -	\$ -	\$ -	\$ 8,300	\$ 8,300
Jane A Nisbet Fund	-	-	-	-	250	250
Town Park Fund	-	-	-	-	6,911	6,911
Forest View Cemetery Fund	-	-	-	-	138,267	138,267
Winchester Center Cemetery Fund	-	-	-	-	33,648	33,648
Total Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 187,376	\$ 187,376
Restricted for:						
Small Cities	\$ -	\$ -	\$ -	\$ -	\$ 1,310,594	\$ 1,310,594
Brownfields Pilot Program	-	-	-	-	157,150	157,150
Elderly Enrichment Part I Fund	-	-	-	-	10,914	10,914
Cemetery Association Trust Fund	-	-	-	-	669	669
Soldiers Monument Restoration Fund	-	-	-	-	48,558	48,558
Anti Blight Fund	-	-	-	-	242,649	242,649
Winchester Memorial Park Fund	-	-	-	-	6,075	6,075
Champs Fund	-	-	-	-	69,195	69,195
Grants & Donations Fund	-	257,700	-	-	-	257,700
Winchester School Trust Fund	-	-	-	-	93,173	93,173
Forest View Cemetery Fund	-	-	-	-	4,658	4,658
Winchester Center Cemetery Fund	-	-	-	-	5,888	5,888
Winchester Bond Sinking Fund	-	-	-	-	18	18
Forest View Cemetery Chapel Trust	-	-	-	-	630	630
Jane A Nisbet Fund	-	-	-	-	7,534	7,534
Town Park Fund	-	-	-	-	92,800	92,800
Beverly Pass Fund	-	-	-	-	8,672	8,672
Total Restricted	\$ -	\$ 257,700	\$ -	\$ -	\$ 2,059,177	\$ 2,316,877
Committed to:						
Industrial Park #2 Fund	\$ -	\$ -	\$ -	\$ -	\$ 231,908	\$ 231,908
Cafeteria Fund	-	-	-	-	5,121	5,121
City Sidewalks Fund	-	-	-	-	859	859
Education	517,872	-	-	-	-	517,872
W & S Capital Improvements	-	-	-	-	40,967	40,967
Hinsdale Renovation Project	-	-	-	4,183,661	-	4,183,661
Capital Improvements	1,940,182	-	-	-	1,262,400	3,202,582
Total Committed	\$ 2,458,054	\$ -	\$ -	\$ 4,183,661	\$ 1,541,255	\$ 8,182,970
Assigned - General Government	\$ 744,892	\$ -	\$ -	\$ -	\$ -	\$ 744,892
Unassigned	\$ 7,320,824	\$ -	\$ (706,078)	\$ -	\$ -	\$ 6,614,746

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 5 - EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

As of July 1, 2014, non-union employees and newly hired union positions are eligible to participate in a Defined Contribution retirement plan administered by the Town. The deferred compensation plan currently has 24 participants enrolled in the plan. The Town will match employee contributions up to 6% of eligible compensation. The total expense to the Town for the year ended June 30, 2021 was \$61,101. Contributions are made to accounts in the participant's name, there are no assets accumulated in a trust that meets the criteria in GASB Statement No. 73, paragraph 4.

Defined Benefit Pension Plan

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

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

Active plan members	24
Inactive plan members or beneficiaries receiving benefits	56
Inactive plan members entitled to but not yet receiving benefits	<u>9</u>
Total plan participants	<u>89</u>

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

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 25.14 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.

Net Pension Liability of the Town

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

Schedule of Net Pension Liability	
	2021
Total pension liability	\$ 14,063,414
Plan fiduciary net position	10,591,682
Net pension liability (asset)	\$ 3,471,732
Plan fiduciary net position as a percentage of total pension liability	75.31%
Covered payroll	1,643,188
Net pension liability as a % of covered payroll	211.28%

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Actuarial Methods and Assumptions - The annual required contribution for the current year was determined as part of the January 1, 2020 actuarial valuation using the entry age normal actuarial cost method. The funding policy consists of two parts, normal cost plus an amortization of the plan's Unfunded Actuarial Liability. For the January 1, 2021 valuation, a closed amortization period of 18 years was used. Significant actuarial assumptions used include: (1) rate of return on investments of 6.75% per year, (2) projected salary increases of 2.40% per year, and (3) a normal retirement age at the later of age 65 or 5 years of service. The unfunded actuarial accrued liability is being amortized over 18 years. Mortality was based on Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to valuation date with Scale MP-2020. An expenses study has not been performed.

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

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

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

	<u>Current Discount Rate</u>	<u>1% Decrease Discount Rate</u>	<u>1% Increase Discount Rate</u>
	6.75%	5.75%	7.75%
Net pension liability as of June 30, 2021	\$3,471,732	\$4,799,487	\$2,296,795

Valuation Date and Roll Forward Process – The plan used the January 1, 2020 valuation to calculate the Actuarially Determined Employer Contribution for fiscal year ending June 30, 2021. The January 1, 2021 Total Pension Liability was increased by service cost, interest, and decreased by benefit payments to estimate the Total Pension Liability as of June 30, 2021. The Total Pension Liability as of June 30, 2021 was also adjusted to reflect any material plan changes after the valuation.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Target Allocation and Expected Rate of Return
June 30, 2021

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>	<u>Weighting</u>
U.S. Large Cap	20.00%	3.80%	0.76%
U.S. Mid Cap	9.00%	4.80%	0.43%
U.S. Small Cap	6.00%	4.80%	0.29%
International-Developed	10.00%	4.70%	0.47%
Emerging Markets	7.00%	7.80%	0.55%
Domestic Government Fixed	10.00%	1.10%	0.11%
Global High Yield	5.00%	1.20%	0.06%
International Fixed	5.00%	1.10%	0.06%
Global Inflation Adjusted	5.00%	1.00%	0.05%
Real Estate	5.00%	5.60%	0.28%
Hedge Strategy	10.00%	2.10%	0.21%
Commodities	5.00%	1.80%	0.09%
Cash	3.00%	1.00%	0.03%
	<u>100.00%</u>		<u>3.39%</u>
Long-Term Inflation Expectation			<u>2.40%</u>
Long-Term Expected Nominal Return			<u>5.79%</u>

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	Balance at June 30, 2020	\$ 14,076,860	\$ 8,640,014
Changes for the year:			
Service Cost	191,460	-	191,460
Interest	933,662	-	933,662
Differences Between Expected and Actual Experience	(90,953)	-	(90,953)
Changes in Assumptions	(160,524)	-	(160,524)
Employer Contributions	-	653,248	(653,248)
Member Contributions	-	78,884	(78,884)
Net Investment Income	-	2,113,031	(2,113,031)
Benefit Payments	(887,091)	(887,091)	-
Administrative Expenses	-	(6,404)	6,404
Net Changes	(13,446)	1,951,668	(1,965,114)
Balance at June 30, 2021	\$ 14,063,414	\$ 10,591,682	\$ 3,471,732
Plan fiduciary net position as a percentage of the total pension liability			75.31%
Covered Payroll			\$ 1,643,188
Net pension liability as a percentage of covered payroll			211.28%

For the year ended June 30, 2021, the Town recognized pension expense (gain) of \$387,134. As of June 30, 2021, 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	\$ 311,000	\$ -
Differences between expected and actual experience	-	30,317
Changes of assumptions	-	53,508
Net difference between projected and actual earnings of Pension Plan investments	-	812,504
Total	\$ 311,000	\$ 896,329

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

Year ended June 30:	
2022	\$ (229,111)
2023	(159,740)
2024	(200,439)
2025	(307,039)
	\$ (896,329)

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Connecticut State Teacher's Retirement System

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

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

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

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

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

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

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

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2021 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$381,975. Covered payroll for the town for the year ended June 30, 2021 was approximately \$5,456,788.

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, 2021 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>22,199,186</u>
Total	\$	<u>22,199,186</u>

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

For the year ended June 30, 2021, the Town recognized benefits expense and contribution revenue of \$1,423,893 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$3,179,928 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

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

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

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

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

Discount Rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Municipal Employees' Retirement System

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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

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

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

Disability Retirement – Service Connected: Employees who are totally and permanently disabled and such disability has arisen out of and in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability, are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement – Non-Service Connected: Employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

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

Contributions - Member: Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 3.25% of compensation up to the social security taxable wage base plus 6%, if any, in excess of such base.

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

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2021, the Town reports a total liability of \$3,860,309 for government-wide financials for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2020, 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, 2020, the Town's proportion was 4.68%.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

For the year ended June 30, 2021, the Town recognized pension expense in the government-wide financial statements of \$1,175,969. As of June 30, 2021, 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	\$ 415,876	\$ -
Net difference between projected and actual earnings	423,804	-
Difference between expected and actual experience	-	493,939
Changes in assumptions	624,614	-
Change in proportional share	207,642	10,312
Total	<u>\$ 1,671,936</u>	<u>\$ 504,251</u>

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

Year ended June 30:

2022	\$ 296,587
2023	362,728
2024	64,019
2025	28,476
	<u>\$ 751,810</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020.

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2012 – June 30, 2017.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	20.00%	5.30%
Developed Market International	11.00%	5.10%
Emerging Market International	9.00%	7.40%
Core Fixed Income	16.00%	1.60%
Inflation Linked Bond	5.00%	1.30%
Emerging Market Debt	5.00%	2.90%
High Yield Bonds	6.00%	3.40%
Real Estate	10.00%	4.70%
Private Equity	10.00%	7.30%
Alternative Investments	7.00%	3.20%
Liquidity Fund	<u>1.00%</u>	0.90%
Total	<u>100.00%</u>	

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

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>6.0%</u>	<u>7.0%</u>	<u>8.0%</u>
Net Pension Liability as of June 30, 2021	<u>\$ 5,564,124</u>	<u>\$ 3,860,309</u>	<u>\$ 2,435,964</u>

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

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

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

Effective June 2017, a Voluntary Employee Benefits Association (VEBA) trust was to be established by the Police Union, which is designed to provide medical benefits to police retirees. Per the Police Union labor contract, the primary funding source for this trust is a \$10 per hour surcharge on all outside details, which is paid by the contractor engaging the police to be present on the job site. The Town has no future funding requirements to police retiree medical benefits. At June 30, 2021 one current police retiree has medical coverage with the Town until age 65 per a specific settlement agreement.

Employees Covered by Benefit Terms: At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	10
Active plan members	120
	130

Total OPEB Liability: The Town's total OPEB liability of \$3,256,148 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the July 1, 2020 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2021 for June 30, 2021 Reporting Date
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Salary
Salary Increases	2.4% (Prior 2.6%)
Discount Rate	2.21% (Prior 3.87%) Which is based on the 20-bond GO index effective as of June 30, 2020.
Mortality Rates	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scale MP-2020.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/20	\$ 2,849,501
Changes for the year:	
Service Cost	63,363
Interest	62,481
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	327,637
Changes in Assumptions	125,441
Benefit Payments	(172,275)
Net Changes	406,647
Balance at 6/30/21	\$ 3,256,148

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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	Current Discount Rate 2.21%	1% Decrease 1.21%	1% Increase 3.21%
Total OPEB Liability as of June 30, 2021	\$ 3,256,148	\$ 3,821,520	\$ 2,818,354

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 (6.00% decreasing to 3.60%) or 1-percentage-point higher (8.00% decreasing to 5.60%) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates	1% Decrease	1% Increase
Total OPEB Liability as of June 30, 2021	\$ 3,256,148	\$ 2,777,579	\$ 3,870,435

OPEB Expense: For the year ended June 30, 2021, the Town recognized OPEB expense of \$61,121. As of June 30, 2021, deferred inflows and outflows of resources related to OPEB are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 309,019	\$ 962,726
Changes of assumptions	506,772	81,781
Total	\$ 815,791	\$ 1,044,507

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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:		
2022	\$	(50,203)
2023		(50,203)
2024		(50,203)
2025		(50,203)
2026		(50,203)
Thereafter		22,299
	\$	<u>(228,716)</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 \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan. 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.

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 \$34,363.

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

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, 2020 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	2.21%
Prior Measurement Date	3.50%

The projected fiduciary net position is projected to be depleted in 2021.

Single equivalent interest rate

Measurement Date	2.21%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.50%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Medicare	5.125% for 2020 decreasing to an ultimate Rate of 4.50% by 2023.
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Mortality rates were based on the PubT-2010 healthy Retiree Table (adjusted 105% for males and 103% for females as ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

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.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

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%	-0.42%	1.78%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		2.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2021 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	\$ 2,705,150	\$ 3,311,234	\$ 4,148,698

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 (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 4,042,587	\$ 3,311,234	\$ 2,741,736

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2021 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town 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>3,311,234</u>
Total	\$	<u><u>3,311,234</u></u>

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

For the year ended June 30, 2021, the Town recognized OPEB expense and revenue of \$34,363 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$152,943 for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 7 - OTHER INFORMATION

Risk Management

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

A schedule of changes in the claims liability for heart and hypertension judgments for the years ended June 30, 2021, 2020 and 2019, is presented below:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2018-19	\$ 922,610	\$ -	\$ 65,349	\$ 857,261
2019-20	857,261	-	65,349	791,912
2020-21	791,912	-	66,606	725,306

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

Contingent Liabilities

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

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

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

TOWN OF WINCHESTER, CONNECTICUT
Notes to the Financial Statements

NOTE 8 – ADOPTION OF NEW ACCOUNTING STANDARD

During the fiscal year ended June 30, 2021, the Town adopted GASB Statement No. 84 – Fiduciary Activities. The Effects of adopting this standard are below:

	<u>Custodial Funds</u>
Net position as previously reported at June 30, 2020	\$ -
To reclassify funds as a result of the implementation of GASB 84	<u>8,318</u>
Net position as restated at July 1, 2020	<u><u>\$ 8,318</u></u>

NOTE 9 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

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

GASB Statement No. 87 – Leases - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

GASB Statement No. 91 – Conduit Debt Obligations – The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022.

TOWN OF WINCHESTER, CONNECTICUT

Notes to the Financial Statements

GASB Statement No. 92 – *Omnibus 2020* – The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and the requirements of this statement are effective for the Town’s reporting period beginning July 1, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements in paragraphs 13 and 14 of this statement are effective for the Town’s reporting period beginning July 1, 2021.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2022.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2021.

**Required
Supplementary
Information**

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Amended Budget	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Property Taxes	\$ 23,850,000	\$ 23,850,000	\$ 24,294,869	\$ 444,869
Property Taxes - Prior Years	325,000	325,000	212,415	(112,585)
Supplemental Tax	-	-	85	85
Interest and Lien Fees	200,000	200,000	183,040	(16,960)
Total Taxes	<u>24,375,000</u>	<u>24,375,000</u>	<u>24,690,409</u>	<u>315,409</u>
Intergovernmental Revenue				
State of Connecticut - General Government	750,399	750,399	908,833	158,434
State of Connecticut - Board of Education	7,823,991	7,823,991	7,862,973	38,982
Total Intergovernmental Revenues	<u>8,574,390</u>	<u>8,574,390</u>	<u>8,771,806</u>	<u>197,416</u>
Other Local Revenues				
Licenses, Fees and Permits				
Cemeteries	30,000	30,000	45,200	15,200
Town Clerk	137,000	137,000	302,162	165,162
Charges for Services				
In Lieu of Taxes - Housing Authority	35,000	35,000	80,983	45,983
Building Department	112,000	112,000	162,611	50,611
Planning and Zoning	4,500	4,500	8,130	3,630
Inland Wetlands Commission	3,000	3,000	14,380	11,380
Zoning Board of Appeals	2,500	2,500	8,195	5,695
Police Department	29,000	29,000	15,613	(13,387)
Fire and Ambulance	55,200	55,200	60,518	5,318
Sale of Land and Equipment	150,000	150,000	100	(149,900)
Park and Recreation Department	20,000	20,000	10,000	(10,000)
Sewer-Water Administration	260,000	260,000	260,000	-
Sewer Debt Service	239,865	239,865	239,845	(20)
Other	120,693	120,693	90,156	(30,537)
Total Other Local Revenues	<u>1,198,758</u>	<u>1,198,758</u>	<u>1,297,893</u>	<u>99,135</u>
Total Revenues	<u>\$ 34,148,148</u>	<u>\$ 34,148,148</u>	<u>\$ 34,760,108</u>	<u>\$ 611,960</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2021

EXPENDITURES	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government				
Board of Selectmen	\$ 47,263	\$ 63,263	\$ 54,108	\$ 9,155
Town Clerk	200,379	200,379	194,127	6,252
Treasurer	47,986	47,986	47,541	445
Accounting Department	429,624	384,924	380,612	4,312
Election Expenditures	71,477	71,477	60,112	11,365
Insurance	475,000	440,000	437,433	2,567
Town Counsel	126,500	104,500	101,962	2,538
Town Manager	218,543	219,543	204,855	14,688
Building Department	267,631	258,631	239,071	19,560
Assessor	167,276	160,276	145,989	14,287
Board of Tax Review	2,842	2,842	-	2,842
Tax Collector	174,596	170,596	165,702	4,894
Planning and Zoning	6,688	6,688	4,507	2,181
Building - Town Hall	195,816	212,516	183,446	29,070
Inland Wetland Commission	3,735	8,235	8,493	(258)
Zoning Board of Appeals	3,230	3,230	2,049	1,181
Laurel City Commission	15,000	15,000	6,284	8,716
Northwest Conservation District	1,840	1,840	1,840	-
Purchasing/Data Processing	247,475	247,475	243,433	4,042
Probate Court	7,000	7,000	5,299	1,701
Senior Citizens	210,580	205,580	176,261	29,319
Rural Transit District	2,397	2,397	2,397	-
Vacation and Sick Pay Accrual	50,000	224,000	223,059	941
Highland Lake	44,158	44,158	35,888	8,270
Economic Development Commission	8,500	8,500	5,141	3,359
School Crossing Guards	54,580	59,080	57,895	1,185
Conservation Commission	1	1	-	1
Unemployment Compensation	19,000	1,000	532	468
Cemeteries	96,389	96,389	76,036	20,353
Soldiers Monument Commission	6,700	6,700	5,842	858
Planning and Community Development	180,342	105,842	91,940	13,902
Civil Service Commission	20,765	20,765	18,537	2,228
Farmington River Watershed	852	852	852	-
Other Town Properties	27,500	27,500	13,327	14,173
Friends of Main Street	9,000	9,000	9,000	-
Total General Government	\$ 3,440,665	\$ 3,438,165	\$ 3,203,570	\$ 234,595

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance
Library	\$ 229,383	\$ 229,383	\$ 229,383	\$ -
Miscellaneous	787,020	646,020	644,386	1,634
Contracted Printing	5,000	5,000	4,769	231
Waste Disposal and Recycling	202,950	202,950	202,950	-
Public Safety				
Police Department	3,156,004	3,332,004	3,292,642	39,362
Fire Department	439,539	424,539	385,923	38,616
Dog Account	42,094	28,294	28,343	(49)
Civil Preparedness	10,747	10,747	9,676	1,071
Winchester Fire Department	48,000	48,000	47,427	573
Ambulance	91,000	91,000	85,163	5,837
Social Services	-	1,000	588	412
Dispatch	328,846	340,846	336,471	4,375
Total Public Safety	<u>4,116,230</u>	<u>4,276,430</u>	<u>4,186,233</u>	<u>90,197</u>
Public Works				
Public Works Department/Highways	2,225,585	2,218,885	2,202,057	16,828
Street Lighting	140,000	140,000	130,144	9,856
Total Public Works	<u>2,365,585</u>	<u>2,358,885</u>	<u>2,332,201</u>	<u>26,684</u>
Health				
Department of Health	133,477	133,477	133,477	-
Youth and Family Services	29,940	29,940	29,940	-
Paramedic	183,000	183,000	182,550	450
Total Health	<u>346,417</u>	<u>346,417</u>	<u>345,967</u>	<u>450</u>
Parks and Recreation				
Park and Recreation Department	329,289	329,289	307,166	22,123
Education				
Board of Education	19,961,686	19,961,686	19,654,659	307,027
Retirement and Pension Contribution	\$ 407,084	\$ 417,084	\$ 416,376	\$ 708

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2021

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Debt Service				
Principal Retirement	\$ 392,000	\$ 392,000	\$ 392,000	\$ -
Interest	54,994	54,994	54,994	-
Sewer Plant Principal Retirement	28,000	28,000	28,000	-
Sewer Plant Interest	4,448	3,939	3,939	-
Sewer Principal Retirement	189,164	189,164	189,164	-
Sewer Interest	18,233	18,742	18,742	-
Total Debt Service	<u>686,839</u>	<u>686,839</u>	<u>686,839</u>	<u>-</u>
Contingency	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>32,898,148</u>	<u>32,898,148</u>	<u>32,214,499</u>	<u>683,649</u>
Other Financing Uses				
Transfer out to Capital Projects	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Total Transfers	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Total	<u>34,148,148</u>	<u>34,148,148</u>	<u>33,464,499</u>	<u>683,649</u>
Excess of Revenues and Other Sources				
Over/(Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,295,609</u>	<u>\$ 1,295,609</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
 Summary of Significant Accounting Principles

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgetary Information and Accounting

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

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

Budgetary/GAAP Reconciliation

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

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2021:

	<u>Total Revenue</u>	<u>Total Expenses</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 34,760,108	\$ 32,214,499	\$ (1,250,000)
"On-behalf" payments - State Teachers Retirement Fund	1,458,256	1,458,256	
Adjustment for Encumbrances	-	(106,195)	
Reclass Water/Sewer Debt Service	<u>(239,845)</u>	<u>(207,906)</u>	<u>31,939</u>
GAAP Basis	<u>\$ 35,978,519</u>	<u>\$ 33,358,654</u>	<u>\$ (1,218,061)</u>

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

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

*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

Schedule of Contributions
Last Eight Fiscal Years*

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

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

Notes to Schedule

Valuation Date: 1/1/2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Level Percent of Salary
Amortization method	Closed
Remaining amortization period	18 yrs
Asset valuation method	The Actuarial Value of assets used in the development of plan contributions phases in the recognition of differences between the actual return on Market Value and expected return on Market Value over a 5-year period at 20% per year. The Actuarial Value is adjusted, if necessary, to be within the range of 80% and 120% of the Market Value of assets.
Salary increases	2.40% increase per year (Previously 3.00%)
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-2020

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Schedule of Investment Returns

Last Eight Fiscal Years*

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

*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
Schedule of Town's Proportionate Share of the
Net Pension Liability and Schedule of Contributions
- Municipal Employees' Retirement System
Last Seven Fiscal Years*

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

	2021	2020	2019	2018	2017	2016	2015
Town's Percentage of Collective Net Pension Liability	4.678%	4.673%	3.953%	3.451%	3.451%	3.077%	3.077%
Town's Portion of Net Pension Liability	<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>\$ 2,081,009</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	185.50%	164.05%	119.94%	86.34%	100.96%	76.37%	56.48%
Plan Fiduciary Net Position as a % of Total Pension Liability	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

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

	2020	2020	2019	2018	2017	2016	2015
Town's Contractually Required Contribution	\$ 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>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>\$ 32,117</u>	<u>\$ -</u>	<u>\$ (28,378)</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	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	19.98%	17.73%	14.17%	19.11%	18.51%	22.27%	20.72%

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

Notes to Schedule

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age, normal cost method
Amortization method	Level dollar, closed
Remaining amortization period	21 years
Asset valuation method	5-year smoothed market (20% write up)
Inflation	3.25%
Salary Increases	4.25%-11.00%, including inflation
Investment rate of return	8.00% net of investment expense, including inflation

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

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

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 63,363	\$ 47,018	\$ 64,139	\$ 64,036
Interest	62,481	85,500	139,182	132,053
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	327,637	6,202	(1,286,990)	(18,120)
Changes of Assumptions	125,441	398,638	82,678	(129,193)
Benefit Payments	<u>(172,275)</u>	<u>(152,188)</u>	<u>(132,688)</u>	<u>(149,467)</u>
Net Change in Total OPEB Liability	406,647	385,170	(1,133,679)	(100,691)
Total OPEB Liability - Beginning	<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>\$ 3,256,148</u>	<u>\$ 2,849,501</u>	<u>\$ 2,464,331</u>	<u>\$ 3,598,010</u>
Covered Payroll	\$ 7,654,384	\$ 6,523,499	\$ 6,358,187	\$ 7,137,686
Total OPEB Liability as a Percentage of Covered Payroll	42.54%	43.68%	38.76%	50.41%

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

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

Notes to Schedule

Measurement Date	June 30, 2021
Valuation Date	July 1, 2020
Inflation Rate	2.40% (Prior 2.60%)
Discount Rate	2.16% (Prior 2.21%)
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Salary Increases	2.40% (Prior 2.60%)
Healthcare Cost Trend Rates	6.50% in 2020, reducing by 0.25% each year to an ultimate rate of 4.40% per year rate for 2029 and later. (Prior 7.00% in 2018, reducing by 0.5% each year to an ultimate rate of 4.60% per year rate for 2023 and later.)

See accountant's report.

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

Schedule of Proportionate Share of Net Pension Liability

	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%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<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>
Total	<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>\$ 5,456,788</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.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

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

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Single equivalent amortization period	30 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	6.90% net of investment related expense

See accountant's report.

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

Schedule of Proportionate Share of Net OPEB Liability

	2021	2020	2019	2018
Town's percentage of the net OPEB liability	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	<u>3,311,234</u>	<u>3,266,243</u>	<u>3,228,211</u>	<u>3,799,976</u>
Total	<u>\$ 3,311,234</u>	<u>\$ 3,266,243</u>	<u>\$ 3,228,211</u>	<u>\$ 3,799,976</u>
Town's covered-employee payroll	<u>\$ 5,456,788</u>	<u>\$ 5,372,594</u>	<u>\$ 5,218,621</u>	<u>\$ 5,362,820</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

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

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over a closed period
Amortization Period	30 years
Asset Valuation Method	Market value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.50%

See accountant's report.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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.

Crippled Children Trust Fund - This fund was established to provide funds for disabled children.

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

Capital Non-Recurring Funds

Capital Improvements Fund - This fund is used to account for various long-term capital projects.

Water and Sewer Capital Improvements Fund - This fund is used to account for various long-term water and sewer funds capital projects.

Permanent Funds

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

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

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

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

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

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

SPECIAL REVENUE FUNDS

	Industrial Park <u>#2 Fund</u>	Cafeteria <u>Fund</u>	Small Cities <u>Cities</u>	Brownfields Pilot <u>Program</u>	City Sidewalks <u>Fund</u>	Elderly Enrichment Part I <u>Fund</u>	Cemetery Association <u>Trust Fund</u>	Soldiers Monument Restoration <u>Fund</u>
Assets								
Cash and Cash Equivalents	\$ 385,038	\$ 5,927	\$ 111,771	\$ 157,150	\$ 859	\$ 2,660	\$ 669	\$ 48,558
Receivables, Net	-	71,416	1,198,823	-	-	37,919	-	-
Prepays	-	-	-	-	-	-	-	-
Inventory	-	4,542	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	9,454	-	-
Total Assets	<u>\$ 385,038</u>	<u>\$ 81,885</u>	<u>\$ 1,310,594</u>	<u>\$ 157,150</u>	<u>\$ 859</u>	<u>\$ 50,033</u>	<u>\$ 669</u>	<u>\$ 48,558</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ -	\$ 76,764	\$ -	\$ -	\$ -	\$ 39,119	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-	-
Due to Other Governments	153,130	-	-	-	-	-	-	-
Total Liabilities	<u>153,130</u>	<u>76,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,119</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	1,310,594	157,150	-	10,914	669	48,558
Committed	231,908	5,121	-	-	859	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>231,908</u>	<u>5,121</u>	<u>1,310,594</u>	<u>157,150</u>	<u>859</u>	<u>10,914</u>	<u>669</u>	<u>48,558</u>
Total Liabilities and Fund Balances	<u>\$ 385,038</u>	<u>\$ 81,885</u>	<u>\$ 1,310,594</u>	<u>\$ 157,150</u>	<u>\$ 859</u>	<u>\$ 50,033</u>	<u>\$ 669</u>	<u>\$ 48,558</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2021

	SPECIAL REVENUE FUNDS						
	Anti Blight Fund	Champs Fund	Winchester School Trust Fund	Winchester Bond Sinking Fund	Forest View Cemetery Chapel Trust Fund	Crippled Children Trust Fund	Beverly Pass Fund
Assets							
Cash and Cash Equivalents	\$ -	\$ -	\$ 93,173	\$ 18	\$ 630	\$ -	\$ 8,672
Receivables, Net	-	-	-	-	-	-	-
Prepays	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from Other Funds	242,649	69,195	-	-	-	-	-
Total Assets	<u>\$242,649</u>	<u>\$69,195</u>	<u>\$ 93,173</u>	<u>\$ 18</u>	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 8,672</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts Payable and Accrued Items	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	242,649	69,195	93,173	18	630	-	8,672
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>242,649</u>	<u>69,195</u>	<u>93,173</u>	<u>18</u>	<u>630</u>	<u>-</u>	<u>8,672</u>
Total Liabilities and Fund Balances	<u>\$242,649</u>	<u>\$69,195</u>	<u>\$ 93,173</u>	<u>\$ 18</u>	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 8,672</u>

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	CAPITAL PROJECTS FUND		PERMANENT FUNDS					Total
	W & S Capital Improvements Fund	Capital Improvements Fund	Forest View Cemetery Fund	Winchester Center Cemetery Fund	Winchester Memorial Park Fund	Jane A Nisbet Fund	Town Park Fund	
Assets								
Cash and Cash Equivalents	\$ -	\$ 715,508	\$ 142,925	\$ 39,536	\$ 14,375	\$ 7,784	\$ 100,561	\$ 1,835,814
Receivables, Net	-	493,802	-	-	-	-	-	1,801,960
Prepays	14,525	-	-	-	-	-	-	14,525
Inventory	-	-	-	-	-	-	-	4,542
Due from Other Funds	427,906	189,484	-	-	-	-	-	938,688
Total Assets	\$ 442,431	\$ 1,398,794	\$ 142,925	\$ 39,536	\$ 14,375	\$ 7,784	\$ 100,561	\$ 4,595,529
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	\$ 95,403	\$ 136,394	\$ -	\$ -	\$ -	\$ -	\$ 850	\$ 348,530
Due to Other Funds	306,061	-	-	-	-	-	-	306,061
Due to Other Governments	-	-	-	-	-	-	-	153,130
Total Liabilities	401,464	136,394	-	-	-	-	850	807,721
Fund Balances:								
Nonspendable	-	-	138,267	33,648	8,300	250	6,911	187,376
Restricted	-	-	4,658	5,888	6,075	7,534	92,800	2,059,177
Committed	40,967	1,262,400	-	-	-	-	-	1,541,255
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	40,967	1,262,400	142,925	39,536	14,375	7,784	99,711	3,787,808
Total Liabilities and Fund Balances	\$ 442,431	\$ 1,398,794	\$ 142,925	\$ 39,536	\$ 14,375	\$ 7,784	\$ 100,561	\$ 4,595,529

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, 2021

	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
Revenues								
Intergovernmental Revenues	\$ -	\$ 490,435	\$ -	\$ -	\$ -	\$ 284,308	\$ -	\$ -
Interest and Dividends	866	-	223	323	-	-	-	79
Charges for Services	-	8,055	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	438
Total Revenues	<u>866</u>	<u>498,490</u>	<u>223</u>	<u>323</u>	<u>-</u>	<u>284,308</u>	<u>-</u>	<u>517</u>
Expenditures								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	284,308	-	-
Parks and Recreation	-	-	-	-	-	-	-	-
Education	-	494,780	-	-	-	-	-	-
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	380
Total Expenditures	<u>-</u>	<u>494,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,308</u>	<u>-</u>	<u>380</u>
Excess/(Deficiency) of Revenues Over Expenditures	866	3,710	223	323	-	-	-	137
Other Financing Sources/(Uses)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	866	3,710	223	323	-	-	-	137
Fund Balances at Beginning of Year	<u>231,042</u>	<u>1,411</u>	<u>1,310,371</u>	<u>156,827</u>	<u>859</u>	<u>10,914</u>	<u>669</u>	<u>48,421</u>
Fund Balances at End of Year	<u>\$ 231,908</u>	<u>\$ 5,121</u>	<u>\$ 1,310,594</u>	<u>\$ 157,150</u>	<u>\$ 859</u>	<u>\$ 10,914</u>	<u>\$ 669</u>	<u>\$ 48,558</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, 2021

	SPECIAL REVENUE FUNDS						
	Anti Blight Fund	Champs Fund	Winchester School Trust Fund	Winchester Bond Sinking Fund	Forest View Cemetery Chapel Trust Fund	Crippled Children Trust Fund	Beverly Pass Fund
Revenues							
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and Dividends	-	-	45	-	-	-	20
Charges for Services	-	16,971	-	-	-	-	-
Other Revenue	<u>127,596</u>	<u>-</u>	<u>3,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>127,596</u>	<u>16,971</u>	<u>3,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>
Expenditures							
Current:							
General Government	33,000	-	-	-	-	445	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Education	-	11,967	1,070	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>33,000</u>	<u>11,967</u>	<u>1,070</u>	<u>-</u>	<u>-</u>	<u>445</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over Expenditures	94,596	5,004	2,293	-	-	(445)	20
Other Financing Sources/(Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	94,596	5,004	2,293	-	-	(445)	20
Fund Balances at Beginning of Year	<u>148,053</u>	<u>64,191</u>	<u>90,880</u>	<u>18</u>	<u>630</u>	<u>445</u>	<u>8,652</u>
Fund Balances at End of Year	<u>\$ 242,649</u>	<u>\$ 69,195</u>	<u>\$ 93,173</u>	<u>\$ 18</u>	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 8,672</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, 2021

	CAPITAL PROJECTS FUND		PERMANENT FUNDS					Total
	W & S Capital Improvements Fund	Capital Improvements Fund	Forest View Cemetery Fund	Winchester Center Cemetery Fund	Winchester Memorial Park Fund	Jane A Nisbet Fund	Town Park Fund	
Revenues								
Intergovernmental Revenues	\$ -	\$ 326,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,101,282
Interest and Dividends	-	1,592	321	78	19	-	77	3,643
Charges for Services	-	-	-	-	-	-	-	25,026
Other Revenue	-	24,000	-	-	-	-	-	155,352
Total Revenues	-	352,131	321	78	19	-	77	1,285,303
Expenditures								
Current:								
General Government	-	-	-	-	-	-	9,143	42,588
Public Safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	284,308
Parks and Recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	507,817
Debt Service:								
Principal Retirement	-	129,017	-	-	-	-	-	129,017
Interest	-	3,736	-	-	-	-	-	3,736
Capital Outlay	827,958	2,181,438	-	-	-	-	-	3,009,776
Total Expenditures	827,958	2,314,191	-	-	-	-	9,143	3,977,242
Excess/(Deficiency) of Revenues Over Expenditures	(827,958)	(1,962,060)	321	78	19	-	(9,066)	(2,691,939)
Other Financing Sources/(Uses)								
Transfers In	868,925	1,530,555	-	-	-	-	-	2,399,480
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	868,925	1,530,555	-	-	-	-	-	2,399,480
Net Change in Fund Balances	40,967	(431,505)	321	78	19	-	(9,066)	(292,459)
Fund Balances at Beginning of Year	-	1,693,905	142,604	39,458	14,356	7,784	108,777	4,080,267
Fund Balances at End of Year	\$ 40,967	\$ 1,262,400	\$ 142,925	\$ 39,536	\$ 14,375	\$ 7,784	\$ 99,711	\$ 3,787,808

See accountant's report.

Supplemental Schedules

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2021

List of 10/1:	Outstanding July 1, 2020	Current Levy	Lawful Corrections		Transfers to Suspense	Collectible Taxes	Collections During the Year			Outstanding June 30, 2021
			Additions	Deductions			Taxes	Interest and Liens	Total	
2019		\$ 24,621,694	\$ 19,457	\$ 112,355	\$ (19,121)	\$ 24,509,675	\$ 24,155,116	\$ 83,793	\$ 24,238,909	\$ 354,559
2018	\$ 363,305	-	610	2,446	(3,949)	357,520	219,492	47,783	267,275	138,028
2017	128,240	-	88	98	(1,341)	126,889	33,330	13,199	46,529	93,559
2016	74,352	-	905	693	(40,051)	34,513	8,547	4,367	12,914	25,966
2015	15,752	-	-	-	-	15,752	197	186	383	15,555
2014	9,795	-	-	-	-	9,795	80	99	179	9,715
2013	2,730	-	-	-	-	2,730	79	111	190	2,651
2012	689	-	-	-	-	689	76	123	199	613
2011	851	-	-	-	-	851	102	168	270	749
2010	876	-	-	-	-	876	102	178	280	774
2009	774	-	-	-	-	774	-	-	-	774
2008	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2006	-	-	162	-	-	162	162	-	162	-
2005	116	-	-	-	-	116	-	-	-	116
	\$ 597,480	\$ 24,621,694	\$ 21,222	\$ 115,592	\$ (64,462)	\$ 25,060,342	24,417,283	150,007	24,567,290	\$ 643,059

Net Grand List - October 1, 2019

Tax Rate: 33.54 mills

Total Suspense Collections	10,916	14,708	25,624
Total Collections	\$ 24,428,199	\$ 164,715	\$ 24,592,914

See accountant's report.

TOWN OF WINCHESTER, CONNECTICUT
Schedule of Water and Sewer Rents Levied, Collected, and Outstanding
For the Year Ended June 30, 2021

Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2020	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections			Water Rents Receivable June 30, 2021
					Rents	Interest and Liens	Total	
2019	\$ 1,898,462	\$ (369)	\$ -	\$ 1,898,093	\$ 1,806,135	\$ 22,896	\$ 1,829,031	\$ 91,958
2018	130,080	(408)	-	129,672	119,336	19,329	138,665	10,336
2017	12,977	-	-	12,977	8,976	3,478	12,454	4,001
2016	2,705	-	-	2,705	-	24	24	2,705
2015	1,764	-	-	1,764	-	-	-	1,764
2014	968	-	-	968	23	151	174	945
2013	1,553	-	-	1,553	-	-	-	1,553
2012	316	-	-	316	-	-	-	316
2011	306	-	-	306	-	-	-	306
	\$ 2,049,131	\$ (777)	\$ -	\$ 2,048,354	\$ 1,934,470	\$ 45,878	\$ 1,980,348	\$ 113,884

Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2020	Lawful Corrections	Transfers to Suspense	Adjusted Levy and Uncollected Balance	Collections			Sewer Rents Receivable June 30, 2021
					Rents	Interest and Liens	Total	
2019	\$ 1,589,118	\$ (10,698)	\$ -	\$ 1,578,420	\$ 1,504,939	\$ 21,384	\$ 1,526,323	\$ 73,481
2018	121,270	(465)	-	120,805	107,930	16,113	124,043	12,875
2017	12,272	-	-	12,272	8,993	1,974	10,967	3,279
2016	2,844	-	-	2,844	260	116	376	2,584
2015	1,780	-	-	1,780	-	-	-	1,780
2014	1,217	-	-	1,217	-	130	130	1,217
2013	1,705	-	-	1,705	-	-	-	1,705
2012	712	-	-	712	-	-	-	712
2011	598	-	-	598	-	-	-	598
	\$ 1,731,516	\$ (11,163)	\$ -	\$ 1,720,353	\$ 1,622,122	\$ 39,717	\$ 1,661,839	\$ 98,231

See accountant's report.

Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

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

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

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

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

Table 1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net Investment in Capital Assets	\$ 37,955,510	\$ 38,299,684	\$ 38,706,670	\$ 38,445,171	\$ 38,586,005	\$ 39,174,225	\$ 40,271,477	\$ 42,121,720	\$ 44,417,410	\$ 47,648,554
Restricted	2,523,523	2,694,119	2,338,704	2,132,045	2,184,503	2,243,173	2,294,074	2,296,086	2,337,938	2,504,253
Unrestricted	(5,462,501)	(6,442,404)	(5,878,735)	(5,515,045)	(4,450,938)	(2,520,690)	(1,977,467)	(320,747)	(441,937)	330,830
Total Governmental Activities Net Position	\$ 35,016,532	\$ 34,551,399	\$ 35,166,639	\$ 35,062,171	\$ 36,319,570	\$ 38,896,708	\$ 40,588,084	\$ 44,097,059	\$ 46,313,411	\$ 50,483,637
Business-type Activities:										
Net Investment in Capital Assets	\$ 32,508,601	\$ 32,182,934	\$ 31,687,119	\$ 30,765,003	\$ 26,835,634	\$ 26,225,709	\$ 25,815,067	\$ 25,667,645	\$ 25,103,686	\$ 25,019,997
Unrestricted	(1,292,067)	(924,692)	330,581	1,097,207	1,711,887	2,632,050	3,061,410	3,147,427	3,671,182	3,523,454
Total Business-type Activities Net Position	\$ 31,216,534	\$ 31,258,242	\$ 32,017,700	\$ 31,862,210	\$ 28,547,521	\$ 28,857,759	\$ 28,876,477	\$ 28,815,072	\$ 28,774,868	\$ 28,543,451
Primary Government										
Net Investment in Capital Assets	\$ 70,464,111	\$ 70,482,618	\$ 70,393,789	\$ 69,210,174	\$ 65,421,639	\$ 65,399,934	\$ 66,086,544	\$ 67,789,365	\$ 69,521,096	\$ 72,668,551
Restricted	2,523,523	2,694,119	2,338,704	2,132,045	2,184,503	2,243,173	2,294,074	2,296,086	2,337,938	2,504,253
Unrestricted	(6,754,568)	(7,367,096)	(5,548,154)	(4,417,838)	(2,739,051)	111,360	1,083,943	2,826,680	3,229,245	3,854,284
Total Primary Government Net Position	\$ 66,233,066	\$ 65,809,641	\$ 67,184,339	\$ 66,924,381	\$ 64,867,091	\$ 67,754,467	\$ 69,464,561	\$ 72,912,131	\$ 75,088,279	\$ 79,027,088

TOWN OF WINCHESTER, CONNECTICUT

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

Table 2

Page 1 of 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
Education	\$ 22,869,216	\$ 23,083,862	\$ 24,007,954	\$ 25,103,389	\$ 26,325,204	\$ 26,996,253	\$ 25,363,648	\$ 26,641,327	\$ 26,226,649	\$ 27,203,135
Public safety	3,576,949	3,607,845	3,558,537	3,045,908	3,684,860	3,969,616	4,228,958	4,512,892	5,186,461	5,791,474
Public works	2,382,942	2,226,107	3,067,995	3,111,181	3,096,519	2,592,077	3,019,953	2,800,234	3,206,158	2,920,338
General government	3,617,443	3,881,057	3,184,962	3,738,169	3,044,626	3,118,521	2,979,380	2,980,847	3,466,896	3,546,158
Health	365,698	332,349	575,514	649,113	1,164,840	468,627	454,403	469,359	615,805	620,927
Parks and recreation	512,726	199,271	210,019	224,911	263,445	269,537	274,774	308,839	411,335	380,722
Library	194,141	176,474	176,474	200,003	206,000	214,034	216,174	218,336	222,702	229,383
Waste disposal and recycling	405,320	204,965	222,812	196,247	198,356	225,040	200,940	202,949	202,950	202,950
Interest on long-term debt	270,484	202,821	222,581	166,124	146,895	131,350	121,162	105,504	83,212	62,670
Total Governmental Activities Expenses	<u>34,194,919</u>	<u>33,914,751</u>	<u>35,226,848</u>	<u>36,435,045</u>	<u>38,130,745</u>	<u>37,985,055</u>	<u>36,859,392</u>	<u>38,240,287</u>	<u>39,622,168</u>	<u>40,957,757</u>
Business-Type Activities										
Waterworks	1,798,146	1,632,254	1,522,972	1,624,816	1,575,518	1,581,381	1,703,776	1,666,615	1,753,902	1,941,434
Sewer	1,776,674	1,698,684	1,695,555	1,937,700	1,782,200	1,877,644	1,957,077	2,006,301	1,978,357	2,020,811
Total Business-Type Activities Expenses	<u>3,574,820</u>	<u>3,330,938</u>	<u>3,218,527</u>	<u>3,562,516</u>	<u>3,357,718</u>	<u>3,459,025</u>	<u>3,660,853</u>	<u>3,672,916</u>	<u>3,732,259</u>	<u>3,962,245</u>
Total Primary Government Expenses	<u>\$ 37,769,739</u>	<u>\$ 37,245,689</u>	<u>\$ 38,445,375</u>	<u>\$ 39,997,561</u>	<u>\$ 41,488,463</u>	<u>\$ 41,444,080</u>	<u>\$ 40,520,245</u>	<u>\$ 41,913,203</u>	<u>\$ 43,354,427</u>	<u>\$ 44,920,002</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Education	\$ 191,980	\$ 117,548	\$ 102,112	\$ 170,174	\$ 131,074	\$ 124,270	\$ 147,085	\$ 105,378	\$ 68,235	\$ 25,026
Public safety	44,460	68,454	84,557	61,615	64,812	76,747	73,147	70,599	66,042	76,131
Public works	-	-	381,676	222,998	245,626	250,008	250,008	250,000	260,000	260,000
Health	21,680	40,105	77,678	75,893	66,807	73,513	47,974	64,487	59,436	76,989
General government	349,799	256,293	286,497	305,526	358,225	376,722	348,504	558,891	384,894	720,627
Parks and recreation	10,500	10,500	10,500	10,500	15,000	15,000	20,000	20,000	95,992	125,023
Operating Grants and Contributions	12,213,309	11,969,905	13,081,110	13,340,706	14,465,116	15,412,406	13,813,593	15,275,512	14,733,522	15,806,665
Capital Grants and Contributions	364,085	483,407	650,810	45,448	426,070	469,124	175,276	328,952	1,166,882	2,672,166
Total Governmental Activities										
Program Revenues	<u>13,195,813</u>	<u>12,946,212</u>	<u>14,674,940</u>	<u>14,232,860</u>	<u>15,772,730</u>	<u>16,797,790</u>	<u>14,875,587</u>	<u>16,673,819</u>	<u>16,835,003</u>	<u>19,762,627</u>
Business-type Activities:										
Waterworks:										
Charges for Services	1,600,046	1,694,717	1,937,052	1,806,242	1,790,896	1,959,915	1,903,593	1,864,514	1,897,956	1,978,809
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Sewer:										
Charges for Services	1,347,344	1,439,621	1,662,134	1,522,131	1,498,439	1,743,060	1,712,018	1,667,203	1,721,200	1,749,176
Capital Grants and Contributions	2,714	-	1,317	-	-	-	-	-	-	-
Total Business-type Activities										
Program Revenues	<u>2,950,104</u>	<u>3,134,338</u>	<u>3,600,503</u>	<u>3,328,373</u>	<u>3,289,335</u>	<u>3,702,975</u>	<u>3,615,611</u>	<u>3,531,717</u>	<u>3,619,156</u>	<u>3,727,985</u>
Total Primary Government Program Revenues	<u>\$ 16,145,917</u>	<u>\$ 16,080,550</u>	<u>\$ 18,275,443</u>	<u>\$ 17,561,233</u>	<u>\$ 19,062,065</u>	<u>\$ 20,500,765</u>	<u>\$ 18,491,198</u>	<u>\$ 20,205,536</u>	<u>\$ 20,454,159</u>	<u>\$ 23,490,612</u>
	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)	(continued)

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

Table 2

Page 2 of 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Revenues (Expenses):										
Governmental Activities	\$ (20,999,106)	\$ (20,968,539)	\$ (20,551,908)	\$ (22,202,185)	\$ (22,358,015)	\$ (21,187,265)	\$ (21,983,805)	\$ (21,566,468)	\$ (22,787,165)	\$ (21,195,130)
Business-type Activities	(624,716)	(196,600)	381,976	(234,143)	(68,383)	243,950	(45,242)	(141,199)	(113,103)	(234,260)
Total Primary Government Net Expense	\$ (21,623,822)	\$ (21,165,139)	\$ (20,169,932)	\$ (22,436,328)	\$ (22,426,398)	\$ (20,943,315)	\$ (22,029,047)	\$ (21,707,667)	\$ (22,900,268)	\$ (21,429,390)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 20,828,728	\$ 20,720,481	\$ 23,977,690	\$ 22,563,841	\$ 22,693,437	\$ 23,220,525	\$ 23,671,362	\$ 24,221,642	\$ 24,228,706	\$ 24,683,726
Grants and Contributions Not Restricted to Specific Programs	-	-	322,157	334,480	275,647	475,567	1,438,792	578,580	580,970	592,243
Unrestricted Investment Earnings	3,451	268	84	240	227	41,920	109,476	240,749	193,301	19,897
Contributions to Permanent Fund Principal	-	-	3,369	2,877	2,550	2,550	2,792	2,757	-	-
Miscellaneous	84,106	105,287	1,239,163	424,294	126,873	90,129	62,573	90,673	58,060	69,753
Transfers	(213,269)	(251,923)	(110,480)	(78,653)	(68,514)	(66,288)	(63,960)	(58,958)	(57,520)	(263)
Total Governmental Activities	20,703,016	20,574,113	25,431,983	23,247,079	23,030,220	23,764,403	25,221,035	25,075,443	25,003,517	25,365,356
Business-type Activities:										
Unrestricted Investment Earnings	-	-	-	-	-	-	-	20,836	15,379	2,580
Transfers	213,269	251,923	110,480	78,653	68,514	66,288	63,960	58,958	57,520	263
Total Business-type Activities	213,269	251,923	110,480	78,653	68,514	66,288	63,960	79,794	72,899	2,843
Total Primary Government	\$ 20,916,285	\$ 20,826,036	\$ 25,542,463	\$ 23,325,732	\$ 23,098,734	\$ 23,830,691	\$ 25,284,995	\$ 25,155,237	\$ 25,076,416	\$ 25,368,199
Loss on Assets:										
Governmental Activities	\$ 401,978	\$ 70,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type Activities	47,825	13,615	-	-	-	-	-	-	-	-
Total Primary Government	\$ 449,803	\$ 84,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental Activities	\$ (698,068)	\$ (465,133)	\$ 4,880,075	\$ 1,044,894	\$ 672,205	\$ 2,577,138	\$ 3,237,230	\$ 3,508,975	\$ 2,216,352	\$ 4,170,226
Business-type Activities	(459,272)	41,708	492,456	(155,490)	131	310,238	18,718	(61,405)	(40,204)	(231,417)
Total Primary Government	\$ (1,157,340)	\$ (423,425)	\$ 5,372,531	\$ 889,404	\$ 672,336	\$ 2,887,376	\$ 3,255,948	\$ 3,447,570	\$ 2,176,148	\$ 3,938,809

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

Table 3

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ 3,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	450,000	1,085,000	1,373,037	1,032,933	1,812,446	2,458,054
Assigned	-	-	-	-	-	-	-	109,461	124,697	744,892
Unassigned	<u>(1,426,982)</u>	<u>(1,205,348)</u>	<u>3,526,109</u>	<u>5,163,031</u>	<u>5,724,511</u>	<u>6,246,790</u>	<u>6,788,756</u>	<u>6,964,634</u>	<u>7,184,823</u>	<u>7,320,824</u>
Total General Fund	<u>\$ (1,423,932)</u>	<u>\$ (1,205,348)</u>	<u>\$ 3,526,109</u>	<u>\$ 5,163,031</u>	<u>\$ 6,174,511</u>	<u>\$ 7,331,790</u>	<u>\$ 8,161,793</u>	<u>\$ 8,107,028</u>	<u>\$ 9,121,966</u>	<u>\$ 10,523,770</u>
All Other Governmental Funds										
Nonspendable	\$ 2,508,983	\$ 2,679,098	\$ 2,098,898	\$ 1,763,036	\$ 1,505,939	\$ 1,489,209	\$ 1,451,413	\$ 187,376	\$ 187,376	\$ 187,376
Restricted	238,638	180,102	241,494	379,883	680,158	756,686	844,189	2,108,710	2,150,562	2,316,877
Committed	376,093	391,493	948,908	696,739	1,149,002	1,259,536	1,523,971	2,666,324	1,927,217	5,724,916
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>(624,456)</u>	<u>(711,709)</u>	<u>(716,106)</u>	<u>(703,609)</u>	<u>(682,491)</u>	<u>(669,933)</u>	<u>(679,399)</u>	<u>(682,286)</u>	<u>(706,786)</u>	<u>(706,078)</u>
Total All Other Governmental Funds	<u>\$ 2,499,258</u>	<u>\$ 2,538,984</u>	<u>\$ 2,573,194</u>	<u>\$ 2,136,049</u>	<u>\$ 2,652,608</u>	<u>\$ 2,835,498</u>	<u>\$ 3,140,174</u>	<u>\$ 4,280,124</u>	<u>\$ 3,558,369</u>	<u>\$ 7,523,091</u>

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

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property Taxes, Interest and Lien Fees	\$ 20,667,970	\$ 20,900,669	\$ 23,758,932	\$ 22,479,091	\$ 22,967,681	\$ 23,531,260	\$ 23,659,495	\$ 24,088,716	\$ 24,245,991	\$ 24,690,409
Intergovernmental Revenue	12,520,941	12,411,437	13,940,209	13,758,449	15,046,049	15,493,882	13,539,810	14,777,820	15,488,356	17,134,243
Other local revenues	873,307	808,282	2,418,090	1,522,283	1,282,047	1,362,573	1,381,296	1,600,970	1,529,675	1,505,918
Total Revenues	34,062,218	34,120,388	40,117,231	37,759,823	39,295,777	40,387,715	38,580,601	40,467,506	41,264,022	43,330,570
Expenditures										
Current:										
Education	\$ 22,320,536	\$ 22,660,688	\$ 23,846,496	\$ 24,901,947	\$ 25,842,814	\$ 25,758,001	\$ 24,459,606	\$ 25,389,041	\$ 25,034,836	\$ 24,790,539
Program and Project Expenses	161,960	155,109	810,473	505,184	566,682	571,682	456,585	614,660	403,834	416,376
Public Safety	3,281,243	3,108,489	3,392,423	3,205,229	3,432,816	3,637,606	3,848,234	3,983,962	4,189,045	5,265,862
Public Works	1,731,088	1,548,594	1,725,019	1,712,751	1,947,597	1,903,058	2,028,108	1,977,215	2,109,140	2,211,331
Miscellaneous	555,000	514,425	402,436	504,794	433,930	877,666	609,604	536,341	737,208	649,155
General Government	3,050,201	3,226,659	2,870,365	2,981,403	3,034,766	3,464,873	3,098,815	2,884,839	3,145,359	3,292,995
Health	297,473	295,203	565,181	542,775	570,928	578,965	582,969	598,426	601,907	639,535
Parks and Recreation	219,716	176,353	186,958	196,636	253,191	253,516	248,833	280,836	387,656	371,084
Library	194,141	176,474	176,474	200,003	206,000	214,034	216,174	218,336	222,702	229,383
Waste Disposal and Recycling	405,320	204,965	222,812	196,247	198,356	225,040	200,940	202,949	202,950	202,950
Debt Service:										
Principal	508,000	508,000	526,582	535,768	558,253	552,016	569,651	573,831	545,358	549,017
Interest & Issuance Costs	270,484	202,821	222,622	166,124	166,269	131,350	121,162	122,388	83,212	62,669
Capital Outlay	1,516,798	761,668	952,001	788,956	487,622	1,164,640	1,073,581	2,049,912	3,250,112	5,097,012
Total Expenditures	34,511,960	33,539,448	35,899,842	36,437,817	37,699,224	39,332,447	37,514,262	39,432,736	40,913,319	43,777,908
Excess (Deficiency) of Revenues Over Expenditures	(449,742)	580,940	4,217,389	1,322,006	1,596,553	1,055,268	1,066,339	1,034,770	350,703	(447,338)
Other Financing Sources (Uses)										
Issuance of Bonds & GANS	-	-	2,000,000	-	-	-	-	-	-	-
Issuance of Note	-	-	-	-	-	-	-	-	-	5,000,000
Issuance of Capital Lease	-	-	-	-	-	351,189	132,300	109,373	-	-
Repayment of GANS	-	-	(2,000,000)	-	-	-	-	-	-	-
Transfers In	305,556	310,602	877,354	771,991	716,095	751,005	1,255,941	2,989,212	1,495,065	2,431,419
Transfers Out	(518,825)	(562,525)	(987,834)	(850,644)	(784,609)	(817,293)	(1,319,901)	(3,048,170)	(1,552,585)	(1,617,555)
Total Other Financing Sources (Uses)	(213,269)	(251,923)	(110,480)	(78,653)	(68,514)	284,901	68,340	50,415	(57,520)	5,813,864
Loss on Assets	401,977	70,707	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(1,064,988)	258,310	4,106,909	1,243,353	1,528,039	1,340,169	1,134,679	1,085,185	293,183	5,366,526
Fund Balance at Beginning of Year	2,140,314	1,075,326	1,992,394	6,055,727	7,299,080	8,827,119	10,167,288	11,301,967	12,387,152	12,680,335
Fund Balance at End of Year	\$ 1,075,326	\$ 1,333,636	\$ 6,099,303	\$ 7,299,080	\$ 8,827,119	\$ 10,167,288	\$ 11,301,967	\$ 12,387,152	\$ 12,680,335	\$ 18,046,861
Debt Service as a Percentage to Noncapital Expenditures	2.36%	2.17%	2.14%	1.97%	1.95%	1.79%	1.90%	1.86%	1.67%	1.58%

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

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

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						
2012	2010	\$ 610,247	\$ 122,099	\$ 62,634	\$ 43,345	\$ 838,325	\$ 25,312	\$ 813,013	25.43	\$ 1,161,447	70%
2013	2011	611,083	121,991	65,524	44,215	842,813	24,598	818,215	25.43	1,168,879	70%
2014	2012	493,826	102,499	66,208	49,056	711,589	22,457	689,132	31.20	984,474	70%
2015	2013	494,082	101,804	67,187	50,791	713,864	22,917	690,947	31.91	987,067	70%
2016	2014	494,813	101,609	69,257	50,905	716,584	23,958	692,626	32.70	989,466	70%
2017	2015	495,159	102,081	69,359	52,692	719,291	25,499	693,792	33.54	991,131	70%
2018	2016	495,688	102,179	70,968	59,512	728,347	15,590	712,757	33.54	1,018,224	70%
2019	2017	510,574	104,491	73,641	61,675	750,381	36,135	714,246	33.54	1,020,351	70%
2020	2018	511,554	105,211	74,519	66,268	757,552	36,842	720,710	33.54	1,029,586	70%
2021	2019	513,798	104,180	75,558	71,028	764,564	35,849	728,715	33.54	1,041,021	70%

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

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

TOWN OF WINCHESTER, CONNECTICUT

Principal Property Taxpayers
Current Year and Nine Years Ago

	2021				2012		
	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.	\$ 14,713,554	1	1.92%	Connecticut Light and Power Co.	\$ 11,734,547	1	1.44%
Howmet Casting and Services	12,204,526	2	1.60%	Winrock LLC	9,785,510	2	1.20%
Winrock LLC	9,101,050	3	1.19%	Howmet Casting and Services	9,188,600	3	1.13%
Yankee Gas	8,005,600	4	1.05%	Yankee Gas	5,552,727	4	0.68%
Citizens Asset Finance, Inc.	4,715,733	5	0.62%	Litchfield Gardens Apartments	3,310,020	5	0.41%
Litchfield Gardens Association	3,659,110	6	0.48%	MRC Bearings	3,167,020	6	0.39%
Fifth Third Bank	3,415,104	7	0.45%	Barden Corporation	2,890,200	7	0.36%
Schaeffler Aerospace USA	3,112,862	8	0.41%	BNB Manufacturing	2,673,500	8	0.33%
Electric Motion Company	2,149,915	9	0.28%	Litchfield Heights Apartments	1,921,850	9	0.24%
Litchfield Heights Apartments LLC	2,128,770	10	0.28%	Electric Motion Company	1,822,750	10	0.22%
	<u>\$ 63,206,224</u>		<u>8.27%</u>		<u>\$ 52,046,724</u>		<u>6.40%</u>

Source: Town Assessor's office

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

Table 7

Fiscal Year	Tax Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 20,735,196	\$ 20,224,636	97.54%	\$ 386,502	\$ 20,611,138	99.40%
2013	20,882,442	20,315,733	97.29%	393,235	20,708,968	99.17%
2014	23,715,401	23,020,269	97.07%	487,961	23,508,230	99.13%
2015	22,202,107	21,409,286	96.43%	526,967	21,936,253	98.80%
2016	22,816,003	22,223,820	97.40%	365,020	22,588,840	99.00%
2017	23,307,366	22,902,097	98.26%	290,186	23,192,283	99.51%
2018	23,943,044	23,190,371	96.86%	231,829	23,422,200	97.82%
2019	24,141,257	23,614,748	97.82%	225,498	23,840,246	98.75%
2020	24,313,385	23,798,621	97.88%	219,688	24,018,309	98.79%
2021	24,621,694	24,155,116	98.11%	-	24,155,116	98.11%

Source: Town Assessor's office and Finance office

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

Table 8

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Total Debt per Capita
	General Obligation Bonds	Notes	Capital Leases	General Obligation Bonds	Notes				
2012	\$ 5,041,000	\$ 332,000	\$ 85,092	\$ 3,860,000	\$ 488,057	\$ 9,806,149	3.08%	0.84%	\$ 866
2013	4,616,000	249,000	856	3,100,000	458,940	\$ 8,424,796	2.59%	0.72%	\$ 751
2014	4,196,000	166,000	43,047	2,520,000	429,236	\$ 7,354,283	2.26%	0.75%	\$ 657
2015	3,776,000	83,000	43,779	2,095,000	398,932	\$ 6,396,711	1.98%	0.65%	\$ 581
2016	3,356,000	-	113,894	1,685,000	368,017	\$ 5,522,911	1.61%	0.56%	\$ 505
2017	2,936,000	-	333,067	1,275,000	336,477	\$ 4,880,544	1.45%	0.49%	\$ 451
2018	2,516,000	-	315,716	865,000	304,301	\$ 4,001,017	1.21%	0.39%	\$ 372
2019	2,096,000	-	254,374	460,000	271,475	\$ 3,081,849	0.89%	0.30%	\$ 287
2020	1,676,000	-	129,016	305,000	237,987	\$ 2,348,003	0.66%	0.23%	\$ 220
2021	1,256,000	5,000,000	-	150,000	203,823	\$ 6,609,823	1.83%	0.63%	\$ 646

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

¹ See Table 5 for taxable property value data

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

TOWN OF WINCHESTER, CONNECTICUT
 Schedule of Debt Limitation
 June 30, 2021

Table 9

Total Tax Collection, Including Interest and Lien Fees for Prior Fiscal Year	\$ 24,245,991
Reimbursement for Revenue Loss on: Tax Relief for Elderly and Disabled (Prior Year)	969
Base	<u>\$ 24,246,960</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>\$ 54,555,660</u>	<u>\$ 109,111,320</u>	<u>\$ 90,926,100</u>	<u>\$ 78,802,620</u>	<u>\$ 72,740,880</u>
Indebtedness:					
Bonds Payable	1,256,000	-	150,000	-	-
Note Payable	-	5,000,000	-	-	-
Clean Water Fund Loans	-	-	203,823	-	-
Authorized but Unissued Debt	-	12,109,925	-	-	-
Total Indebtedness	<u>1,256,000</u>	<u>17,109,925</u>	<u>353,823</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Debt*	<u>\$ 53,299,660</u>	<u>\$ 92,001,395</u>	<u>\$ 90,572,277</u>	<u>\$ 78,802,620</u>	<u>\$ 72,740,880</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$169,728,720.

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

Table 10

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limitation	\$ 147,073,122	\$ 147,628,894	\$ 166,749,107	\$ 155,653,344	\$ 155,653,344	\$ 163,021,481	\$ 165,503,429	\$ 166,284,419	\$ 168,628,292	\$ 169,728,720
Total net debt applicable to limit	<u>\$ 9,389,057</u>	<u>\$ 8,174,940</u>	<u>\$ 7,145,236</u>	<u>\$ 6,269,932</u>	<u>\$ 5,409,017</u>	<u>\$ 4,547,477</u>	<u>\$ 3,685,301</u>	<u>\$ 2,827,475</u>	<u>\$ 19,328,912</u>	<u>\$ 18,719,748</u>
Legal debt margin	<u>\$ 137,684,065</u>	<u>\$ 139,453,954</u>	<u>\$ 159,603,871</u>	<u>\$ 149,383,412</u>	<u>\$ 150,244,327</u>	<u>\$ 158,474,004</u>	<u>\$ 161,818,128</u>	<u>\$ 163,456,944</u>	<u>\$ 149,299,380</u>	<u>\$ 151,008,972</u>
Total net debt applicable to the limit as a percentage of debt limit	6.38%	5.54%	4.29%	4.03%	3.48%	2.79%	2.23%	1.70%	11.46%	11.03%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual base. The calculation of the 2021 debt limit can be found on Table 9 of this Report.

TOWN OF WINCHESTER, CONNECTICUT

Table 11

Debt Statement

For the Year Ended June 30, 2021

Direct Debt

General Obligation Bonds	\$ 1,406,000
Notes and Loans Payable	<u>5,203,823</u>

Total Direct Debt	6,609,823
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Total Net Direct Debt (a)	6,256,000
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Overlapping Debt

-

Total Net Overall Debt	<u>\$ 6,256,000</u>
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(a) - Excludes leases and self-supporting water and sewer debt

TOWN OF WINCHESTER, CONNECTICUT

Table 12

Current Debt Ratios

June 30, 2020

1 Population	10,224
Net Taxable Grand List (10/1/19) (70%)	\$ 728,715,000
Estimated Full Value	\$ 1,041,021,000
2 Equalized Net Taxable Grand List (2019)	\$ 1,020,494,000
2 Per Capita Income	\$ 35,322

	Total <u>Direct Debt</u>	Total Net <u>Direct Debt</u>	Total Net <u>Overall Debt</u>
	\$ 6,609,823	\$ 6,256,000	\$ 6,256,000
Per Capita	\$ 646.50	\$ 611.89	\$ 611.89
Ratio to Net Taxable Grand List	0.91%	0.86%	0.86%
Ratio to Estimated Full Value	0.63%	0.60%	0.60%
Ratio to Equalized Net Taxable Grand List	0.65%	0.61%	0.61%
Debt per Capita to Money Income per Capita	1.83%	1.73%	1.73%

1 US Department of Commerce, Bureau of Census.

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

TOWN OF WINCHESTER, CONNECTICUT

Table 13

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment (1)	Unemployment Rate (2)
2012	11,328	\$ 317,875	\$ 28,061	44	12+	715	8.1%
2013	11,216	325,758	29,044	43	12+	654	8.6
2014	11,189	324,973	29,044	44	12+	637	6.0
2015	11,013	323,584	29,382	44	12+	584	5.4
2016	10,929	343,990	31,475	47	12+	545	5.6
2017	10,829	336,240	31,050	47	12+	565	5.9
2018	10,754	329,535	30,643	47	12+	554	3.9
2019	10,739	347,546	32,363	48	12+	535	3.8
2020	10,655	357,582	33,560	48	12+	559	9.3
2021	10,224	361,132	35,322	48	12+	536	8.2

Sources: Population, personal income, median age and education level provided by U.S Department of Commerce, Bureau of Census and Department of Health Services, State of Connecticut

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

(2) State of Connecticut, Department of Labor

TOWN OF WINCHESTER, CONNECTICUT

Table 14

Principal Employers
Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Winchester	290	1	5.00%	209	1	3.50%
Howmet Corporation	185	2	3.19%	185	2	3.10%
Electric Motion aka Hubbell Inc	130	3	2.24%	140	3	2.34%
NW CT Community College	100	4	1.72%	100	4	1.67%
Foothills Visiting Nurse/Home Care	65	5	1.12%	65	7	1.09%
Sterling Sintered Technologies	60	6	1.03%	55	9	0.92%
ICS	55	7	0.95%	55	8	0.92%
DRT Power Systems	51	8	0.88%			
SKF/MRC Plain Bearings	50	9	0.86%			
Northwest Community Bank	48	10	0.83%	85	5	1.42%
Superior Energy (formerly SCASCO)				40	10	0.67%
Homer D. Bronson Co.				70	6	1.17%

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<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	7.0	5.5	5.5	6.0	6.0	6.0	6.0	4.0	7.0	7.0
Planning	-	-	-	1.0	1.0	1.0	1.0	-	-	-
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	7.0	6.0	6.0	7.0	8.0	8.0	8.0	9.0	8.0	9.0
<u>Public Safety</u>										
Officers	22.0	23.0	23.0	23.0	20.0	18.0	18.0	16.0	17.0	18.0
Civilians	2.0	4.0	4.0	5.0	5.0	4.0	3.0	4.0	4.0	4.0
<u>Public Works</u>										
	16.0	15.0	15.0	12.0	11.0	9.0	10.0	9.0	9.0	12.0
<u>Parks and Recreation</u>										
	2.0	2.0	2.0	2.0	-	1.0	-	-	-	-
<u>Water and Sewer Authority</u>										
	13.0	13.0	13.0	11.0	11.0	10.0	10.0	10.0	10.0	9.0
<u>Human Services</u>										
	3.0	2.0	2.0	2.0	-	-	-	-	-	-
<u>Town Properties</u>										
	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Board of Education</u>										
Certified	73.0	72.0	72.0	71.0	72.0	71.0	66.0	73.0	67.0	62.0
Noncertified	87.0	92.0	92.0	64.0	85.0	73.0	85.0	70.0	71.0	82.0
Total	<u>238.0</u>	<u>240.5</u>	<u>240.5</u>	<u>210.0</u>	<u>225.0</u>	<u>207.0</u>	<u>213.0</u>	<u>201.0</u>	<u>199.0</u>	<u>209.0</u>

Sources: Various Town departments

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Workers Compensation										
Claims Processed	26	20	14	36	20	22	24	24	31	35
General Liability										
Claims Processed	2	6	19	6	14	6	30	27	17	9
Marriage Licenses Recorded	77	28	70	178	102	61	105	109	99	88
Birth Certificates Recorded	81	99	67	76	99	89	73	105	83	115
Death Certificates Recorded	131	106	97	117	106	125	121	125	125	130
Boards and Agencies										
Registered Voters	6,512	6,027	5,919	5,737	6,125	5,566	6,660	6,916	6,815	6,815
Elections and Referendums	2	1	4	2	5	4	4	4	7	3
Planning and Development										
Building Permits Issued	700	648	669	579	595	696	626	585	639	705
Rental Certificate of Occupancy Issued	46	121	190	48	78	40	67	28	66	90
Value of Building Permits	22,740	10,904,103	12,193,554	8,401,800	9,881,654	9,240,598	7,402,728	6,728,828	5,628,905	7,791,834
Public Safety										
Arrests	645	147	1,396	375	422	393	655	394	487	556
Parking Violations	134	232	186	321	199	198	499	96	872	1,197
Traffic Accidents	303	285	327	393	323	353	816	408	393	400
Traffic Stops	654	1,061	1,401	1,259	739	772	1,320	1,149	1,438	2,162
Police Calls	9,147	9,760	9,169	9,318	8,661	8,260	8,816	9,310	10,436	11,581
Animal Control Calls	294	212	350	217	160	362	624	204	307	409
Fire Dispatched	288	196	69	114	152	279	718	188	269	489
Ambulance Requests	1,266	237	1,044	954	897	1,142	1,284	1,245	1,357	1,737
Public Works										
Miles of Roads Maintained	81	81	81	81	81	81	81	81	81	81
Parks and Recreation										
Community Event Participants	360	620	745	702	655	506	452	325	1,538	1,750
Recreation Program Participants	485	740	855	865	844	740	627	1,550	1,468	1,520
Annual Participants	845	1,360	1,600	1,567	1,499	1,246	1,079	875	3,006	3,270

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

Table 16

Page 2 of 2

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Libraries										
Volumes in Collection	31,677	32,069	33,552	34,291	34,240	36,361	40,627	43,058	46,884	48,982
Collection Size	34,677	34,178	36,731	37,575	38,970	40,369	45,157	47,258	52,098	44,291
Senior Citizens										
Meals on Wheels										
Provided - Annually	22,620	21,796	29,966	34,100	32,570	35,170	36,108	35,793	37,802	37,802
Meals at Senior Center										
Provided - Annually	6,244	4,519	5,788	5,676	5,632	6,274	6,897	8,171	7,172	7,172
Van Rides Provided to Seniors - Annually	2,417	3,166	4,182	2,666	5,632	5,385	4,670	4,482	6,504	6,504
Senior Mini-Bus Trips - number of senior annually	-	88	90	115	378	179	206	143	793	793
NW Transit Rides for Winsted Residents	6,800	7,017	7,164	16,951	11,353					
Education										
Workers Compensation										
Claims Processed	8	11	34	32	48	51	16	25	22	17
Elementary Schools	8	1	1	1	1	2	2	2	2	2
Middle Schools	n/a	1	1	1	1	1	1	1	1	1
High Schools	n/a	1	1	1	1	1	1	1	1	1
Water										
New Connections	1	2	2	2	1	1	-	-	1	-
Water Main Breaks	3	4	4	6	4	3	-	1	3	4
Average Daily Consumption (millions of gallons)	0.88	0.79	0.90	1.03	0.94	0.99	0.93	0.93	0.85	0.85
Peak Daily Consumption (millions of gallons)	1.29	1.09	1.49	1.34	1.29	1.29	1.32	1.32	1.17	1.22
Sewer										
Average Daily Sewage Treatment (mil. of gallons)	1.35	1.35	1.81	1.44	1.26	1.23	1.37	1.49	1.43	1.64

Source(s): Various Town Departments

n/a - information not available

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

Table 17

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<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	16	16	16	12	11	11	12	12	12	6
Fire Vehicles	11	11	11	12	12	12	9	9	9	8
<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	65	60	55	54	54	54	54	54	54
<u>Parks and Recreation</u>										
Acreage	30	30	30	30	30	30	30	30	30	30
Parks and Greens	4	4	4	4	4	4	4	4	4	4
Athletic Fields	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Senior Citizens</u>										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Mini-Buses	2	2	2	2	2	2	2	2	2	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)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<u>Sewer</u>										
Sanitary Sewers (miles)	40	40	40	40	40	40	40	40	40	40
Treatment Capacity (millions of gallons)	3	3	3	3	3	3	3	3	3	3

Sources: Various Town Departments