

TOWN OF EAST WINDSOR, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2019**

TOWN OF EAST WINDSOR, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of East Windsor, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Windsor, Connecticut (the "Town"), as of and for the year ended June 30, 2019, 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, each major fund, and the aggregate remaining fund information of the Town of East Windsor, Connecticut, as of June 30, 2019, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the information on pages 59 through 67 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's basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules on pages 68 through 83 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 fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information on pages 84 and 85 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 23, 2019, on our consideration of the Town'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's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 23, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

The management of the Town of East Windsor, Connecticut (the "Town"), offers readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town's governmental activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$58,901,149 (net position). Of this amount, \$8,688,260 is considered to be unrestricted.
- The Town's total net position increased by \$708,635 during the current fiscal year.
- The Town's total bonded and other debt decreased by \$1,499,413.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,033,405, an increase of \$2,524,831 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,102,364. Unassigned fund balance is sufficient to cover 3.1 months of and represents 25.1% of the Town's fiscal year 2020 General Fund budgetary expenditure appropriations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town'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's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the Town's net position 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 cash flows in future fiscal periods.

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

Both of the government-wide financial statements display information about the Town's governmental activities which include general government, public safety, conservation and health, highways, sanitation and waste removal, culture and recreation, and education. The Town does not have any business-type activities.

The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable. The government-wide financial statements can be found on pages 13 and 14 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental 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 the Town'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 Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital and Nonrecurring Fund and the Capital Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15 through 19 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs.

The basic fiduciary fund financial statements can be found on pages 20 through 21 of this report.

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes to the financial statements 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 22 through 58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 59 through 67 of this report. Individual fund statements and schedules can be found on pages 68 through 83 of this report and other supplementary information can be found on pages 84 and 85.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

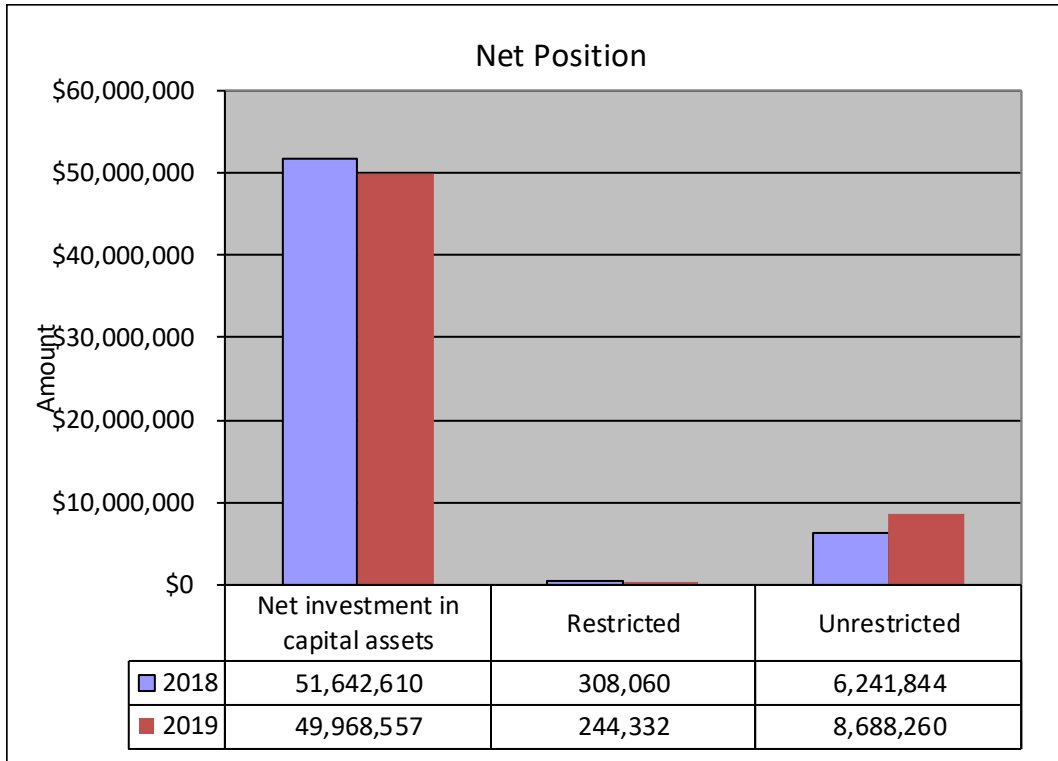
Over time, net position may serve as one measure of a government's financial position. The net position of the Town totaled \$58,901,149 as of June 30, 2019 and \$58,192,514 as of June 30, 2018, and is summarized as follows:

	<u>2019</u>	<u>2018</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 21,474,896	\$ 21,835,152	\$ (360,256)	-1.6%
Capital assets	60,964,267	61,758,343	(794,076)	-1.3%
Total assets	<u>82,439,163</u>	<u>83,593,495</u>	<u>(1,154,332)</u>	-1.4%
Deferred outflows of resources	<u>2,515,000</u>	<u>1,926,433</u>	<u>588,567</u>	30.6%
Other liabilities	2,006,926	4,583,583	(2,576,657)	-56.2%
Long-term liabilities	<u>22,970,924</u>	<u>22,153,607</u>	<u>817,317</u>	3.7%
Total liabilities	<u>24,977,850</u>	<u>26,737,190</u>	<u>(1,759,340)</u>	-6.6%
Deferred inflows of resources	<u>1,075,164</u>	<u>590,224</u>	<u>484,940</u>	82.2%
Net position:				
Net investment in capital assets	49,968,557	51,642,610	(1,674,053)	-3.2%
Restricted	244,332	308,060	(63,728)	-20.7%
Unrestricted	<u>8,688,260</u>	<u>6,241,844</u>	<u>2,446,416</u>	39.2%
Total net position	<u>\$ 58,901,149</u>	<u>\$ 58,192,514</u>	<u>\$ 708,635</u>	1.2%

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



As of June 30, 2019, 84.8% 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Less than 1% of the Town's net position as of June 30, 2019 was subject to external restrictions on how they may be used and are therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted.

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

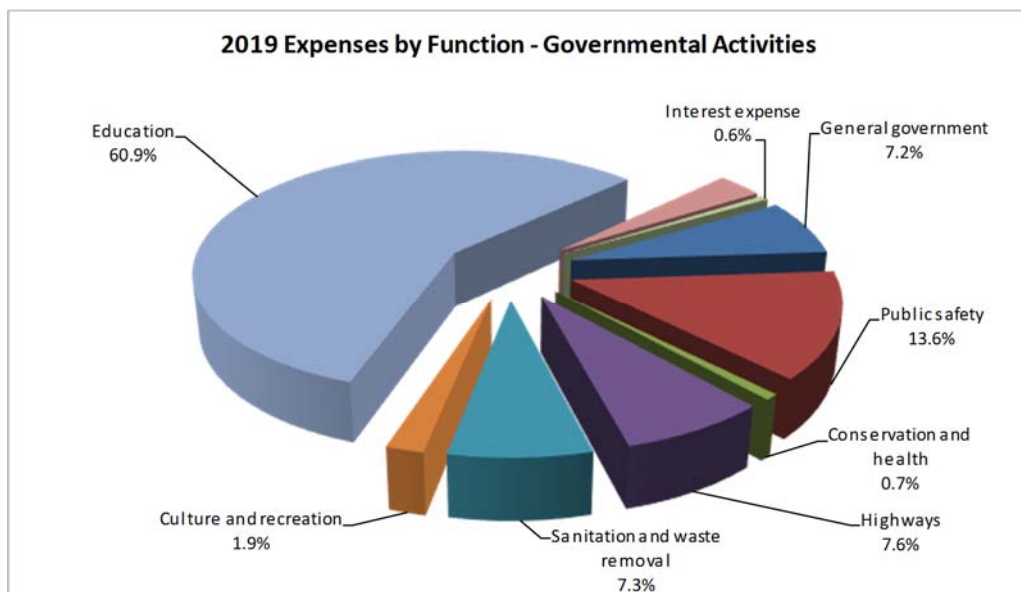
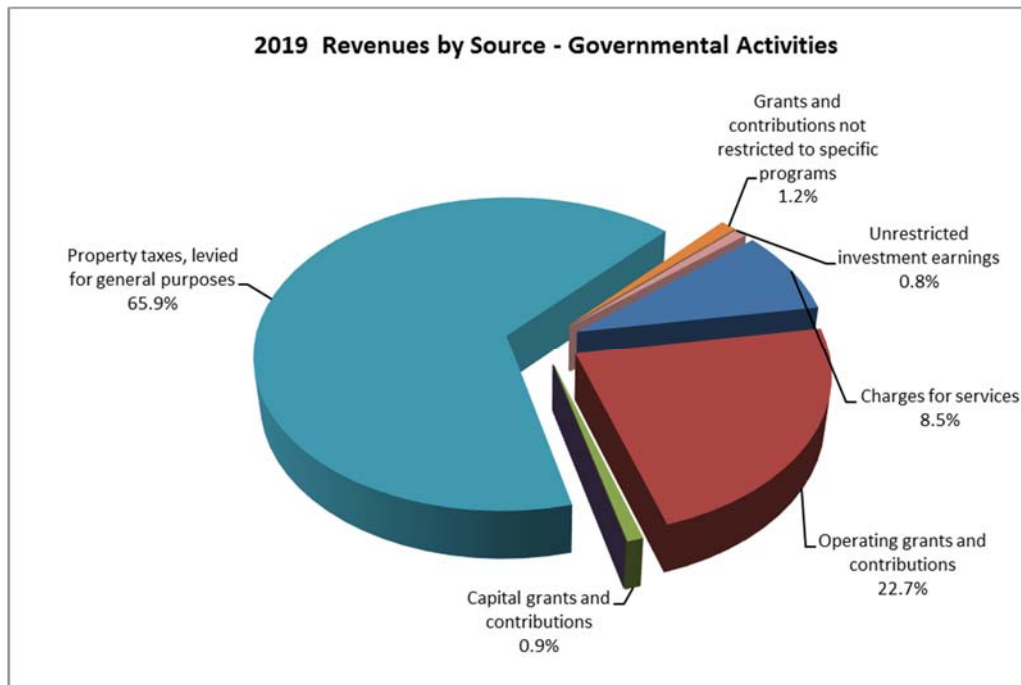
Changes in net position for the years ended June 30, 2019 and 2018 are as follows. Certain reclassifications have been made to the amounts reported for the year ended June 30, 2018 to conform to the current year presentation.

	<u>2019</u>	<u>2018</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 4,188,250	\$ 4,215,432	\$ (27,182)	-0.6%
Operating grants and contributions	11,156,805	13,729,173	(2,572,368)	-18.7%
Capital grants and contributions	456,170	1,131,249	(675,079)	-59.7%
General revenues:				
Property taxes, levied for general purposes	32,423,595	32,196,214	227,381	0.7%
Grants and contributions not restricted to specific programs	581,072	221,497	359,575	162.3%
Unrestricted investment earnings	417,808	259,051	158,757	61.3%
Total revenues	<u>49,223,700</u>	<u>51,752,616</u>	<u>(2,528,916)</u>	-4.9%
Expenses				
General government	3,501,073	3,729,444	(228,371)	-6.1%
Public safety	6,621,340	6,448,291	173,049	2.7%
Conservation and health	361,558	404,673	(43,115)	-10.7%
Highways	3,697,960	3,275,225	422,735	12.9%
Sanitation and waste removal	3,535,407	3,679,568	(144,161)	-3.9%
Culture and recreation	945,555	905,778	39,777	4.4%
Education	27,979,697	26,698,166	1,281,531	4.8%
Education - State Teachers' Retirement	1,586,814	4,374,477	(2,787,663)	-63.7%
Interest expense	285,661	296,976	(11,315)	-3.8%
Total expenses	<u>48,515,065</u>	<u>49,812,598</u>	<u>(1,297,533)</u>	-2.6%
Change in net position	<u>\$ 708,635</u>	<u>\$ 1,940,018</u>	<u>\$ (1,231,383)</u>	-63.5%

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Position *(Continued)*



TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Governmental Activities

The Town's net position increased by \$708,635. Total revenues decreased by \$2,528,916 or 4.9% and total expenses decreased by \$1,297,533 or 2.6%. Decreases in operating grants and contributions was driven by a reduction in the amount of pension and OPEB expense recognized by the State of Connecticut in connection with the Town's participation in the Connecticut Teachers' Retirement System. This resulted in a corresponding decrease in education expenses.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,033,405, an increase of \$2,524,831 in comparison with the prior year.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,102,364. Unassigned fund balance is sufficient to cover 3.1 months of and represents 25.1% of the Town's fiscal year 2020 General Fund budgetary expenditure appropriations.

Capital and Nonrecurring Fund

The fund balance in the Capital and Nonrecurring Fund increased by \$539,646 from \$2,679,843 to \$3,219,489.

Capital Projects Fund

The fund balance in the Capital Projects Fund increased by \$995,624 from a deficit fund balance of \$489,850 to a fund balance of \$505,774. \$493,108 of the fund balance is restricted for road and dam improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget contemplated the use of fund balance of \$450,000. Additional appropriations of \$954,210 were authorized during the year.

The actual change in fund balance on a budgetary basis was an increase of \$610,000. Revenues exceeded budgetary estimates by \$1,161,028, while expenditures and transfers out were less than budgetary estimates by \$853,182. The revenue surplus was driven by a \$490,614 favorable variance in the amount received as payment of lieu of taxes on State-owned property. The expenditure surplus was driven by favorable budgetary results within insurance and benefits for Town employees.

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

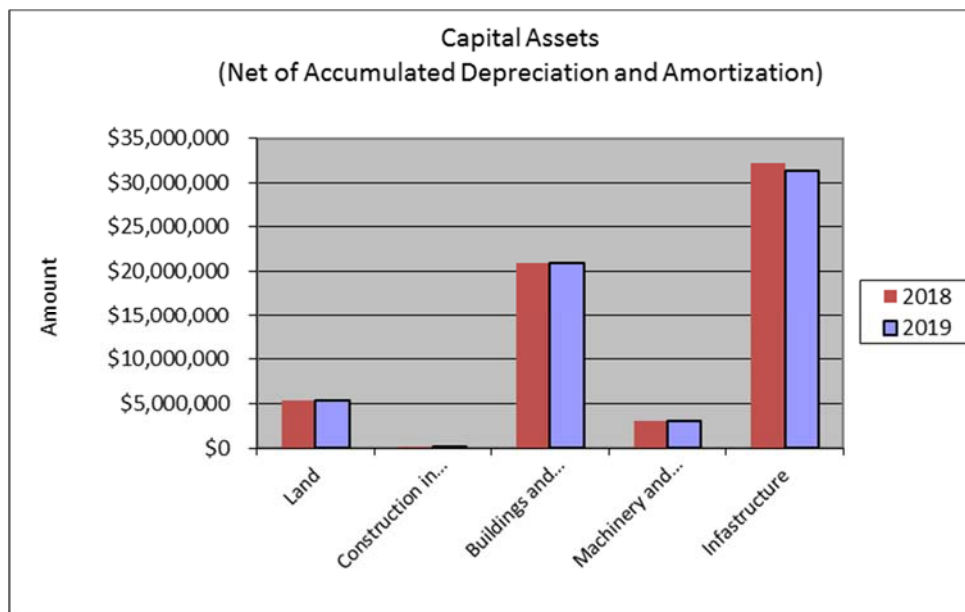
Capital Assets

The Town's capital assets for its governmental activities as of June 30, 2019 totaled \$60,964,267 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The carrying value of the Town's capital assets decreased by \$794,076 during the year. The following is a summary of current year significant capital events:

- additions of \$456,170 relating to school improvements funded through the State's alliance capital grant program;
- additions of \$180,040 relating to the purchase of vehicles for public works and public safety;
- additions of \$162,719 relating to improvements made to the Broad Brook modulars; and
- additions of \$208,547 relating to the boiler replacement at the Town's High School.

The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation:

	2019	2018	\$ Variance	% Variance
Land	\$ 5,384,759	\$ 5,384,759	\$ -	0.0%
Construction in progress	208,851	211,124	(2,273)	-1.1%
Buildings and improvements	21,002,357	20,905,106	97,251	0.5%
Machinery and equipment	3,090,602	3,072,223	18,379	0.6%
Infrastructure	31,277,698	32,185,131	(907,433)	-2.8%
Totals	<u>\$ 60,964,267</u>	<u>\$ 61,758,343</u>	<u>\$ (794,076)</u>	-1.3%



TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

Additional information on the Town's capital assets can be found in Note 5 to the basic financial statements.

Debt

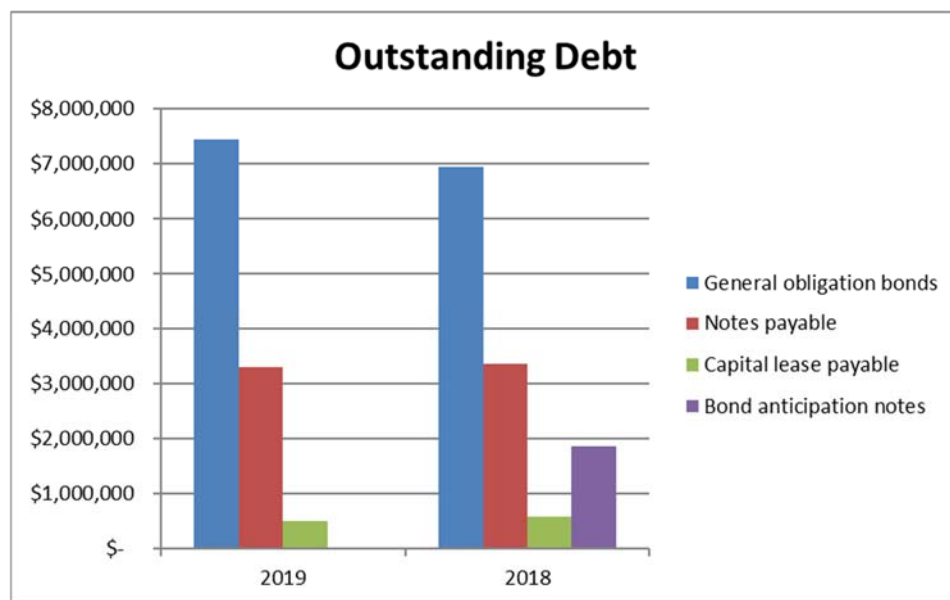
At the end of the current fiscal year, the Town had long-term bonded debt outstanding of \$7,445,000 and notes payable of \$3,298,257, all of which is backed by the full faith and credit of the government. In addition, the Town had capital leases payable of \$504,657.

The Town's total debt consisting of general obligation bonds, notes payables and capital leases decreased by \$1,499,413 or 11.8% during the current fiscal year. This decrease is due to the issuance of \$1,115,000 in general obligations bonds, the proceeds of which were utilized to partially retire the bond anticipation notes previously outstanding; offset by schedule principal repayments.

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

The following is a two-year comparison of bonded and other debt:

	2019	2018	\$ Variance	% Variance
General obligation bonds	\$ 7,445,000	\$ 6,950,000	\$ 495,000	7.1%
Bond anticipation notes	-	1,856,000	(1,856,000)	N/a
Notes payable	3,298,257	3,356,132	(57,875)	-1.7%
Capital lease payable	504,657	585,195	(80,538)	-13.8%
Totals	<u>\$ 11,247,914</u>	<u>\$ 12,747,327</u>	<u>\$ (1,499,413)</u>	<u>-11.8%</u>



Additional information on the Town's long-term debt can be found in Note 9 to the basic financial statements.

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:

- For purposes of calculating property tax revenues for fiscal year 2020, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- The State has established a minimum budget requirement ("MBR") for budgeted education expenditures. The MBR prohibits town from budgeting less for education than it did in the previous year unless, and within limits, the Town can demonstrate a decrease in school enrollment or savings through increased efficiencies. Any increases or decreases that the Town receives in its Education Cost Sharing grant will result in a corresponding increase or decrease in the Town's MBR.
- It is unknown how the weakened economy will impact real estate activity and related revenues collected by the Town Clerk, the Building Department and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's budget for fiscal year 2020. The Town's fiscal year 2020 approved budgetary expenditure appropriations total \$40,184,897, which represents a 2.00% increase over the Town's original approved fiscal year 2019 budgetary expenditure appropriations.

The Town has assigned \$500,000 of its General Fund fund balance for spending in the 2020 fiscal year budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Treasurer, Town of East Windsor, 11 Rye Street, Broad Brook, Connecticut 06016.

BASIC FINANCIAL STATEMENTS

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 19,272,108
Receivables:	
Property taxes and interest, net	1,665,519
User charges	66,497
Grants and contracts	88,444
Other	105,870
Other assets	3,461
Assessments	272,997
Capital assets:	
Non-depreciable	5,593,610
Depreciable, net	55,370,657
Total assets	<u>82,439,163</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on pension expense	1,601,347
Deferred charges on OPEB expense	913,653
Total deferred outflows of resources	<u>2,515,000</u>
 LIABILITIES	
Accounts payable	918,883
Accrued liabilities	372,995
Unearned revenue	715,048
Noncurrent liabilities:	
Due within one year	1,062,099
Due in more than one year	21,908,825
Total liabilities	<u>24,977,850</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred charges on pension expense	450,760
Deferred charges on OPEB expense	624,404
Total deferred inflows of resources	<u>1,075,164</u>
 NET POSITION	
Net investment in capital assets	49,968,557
Restricted for:	
Endowments - expendable	5,134
Housing rehabilitation loan program	39,091
Other programs	200,107
Unrestricted	8,688,260
Total net position	<u>\$ 58,901,149</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 3,501,073	\$ 953,923	\$ 633,086	\$ -	\$ (1,914,064)
Public safety	6,621,340	298,225	100,634	-	(6,222,481)
Conservation and health	361,558	-	-	-	(361,558)
Highways	3,697,960	-	315,143	-	(3,382,817)
Sanitation and waste removal	3,535,407	2,307,846	2,514	-	(1,225,047)
Culture and recreation	945,555	153,694	-	-	(791,861)
Education	27,979,697	474,562	8,518,614	456,170	(18,530,351)
Education - State Teachers' Retirement	1,586,814	-	1,586,814	-	-
Interest expense	285,661	-	-	-	(285,661)
Total governmental activities	<u>\$ 48,515,065</u>	<u>\$ 4,188,250</u>	<u>\$ 11,156,805</u>	<u>\$ 456,170</u>	<u>(32,713,840)</u>
General revenues:					
Property taxes, levied for general purposes					32,423,595
Grants and contributions not restricted to specific programs					581,072
Unrestricted investment earnings					417,808
Total general revenues					<u>33,422,475</u>
Change in net position					708,635
Net position - beginning					<u>58,192,514</u>
Net position - ending					<u>\$ 58,901,149</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2019

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 12,600,466	\$ 3,264,464	\$ 505,774	\$ 2,901,404	\$ 19,272,108
Receivables:					
Property taxes and interest, net	1,665,519	-	-	-	1,665,519
Assessments and user charges	-	-	-	339,494	339,494
Grants and contracts	2,321	-	-	86,123	88,444
Other	30,886	-	-	74,984	105,870
Due from other funds	284,573	-	-	1,269,809	1,554,382
Inventories	-	-	-	3,461	3,461
Total assets	<u>\$ 14,583,765</u>	<u>\$ 3,264,464</u>	<u>\$ 505,774</u>	<u>\$ 4,675,275</u>	<u>\$ 23,029,278</u>
LIABILITIES					
Accounts payable	\$ 825,113	\$ 5,454	\$ -	\$ 88,316	\$ 918,883
Salaries and benefits payable	279,644	-	-	32,226	311,870
Due to other funds	1,269,809	39,521	-	245,052	1,554,382
Unearned revenue	-	-	-	715,048	715,048
Total liabilities	<u>2,374,566</u>	<u>44,975</u>	<u>-</u>	<u>1,080,642</u>	<u>3,500,183</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,156,196	-	-	339,494	1,495,690
Total deferred inflows of resources	<u>1,156,196</u>	<u>-</u>	<u>-</u>	<u>339,494</u>	<u>1,495,690</u>
FUND BALANCES					
Nonspendable	-	-	-	3,461	3,461
Restricted	-	-	493,108	244,332	737,440
Committed for:					
Capital purposes	-	3,219,489	12,666	162,144	3,394,299
Other purposes	450,639	-	-	2,850,958	3,301,597
Assigned	500,000	-	-	-	500,000
Unassigned	10,102,364	-	-	(5,756)	10,096,608
Total fund balances	<u>11,053,003</u>	<u>3,219,489</u>	<u>505,774</u>	<u>3,255,139</u>	<u>18,033,405</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,583,765</u>	<u>\$ 3,264,464</u>	<u>\$ 505,774</u>	<u>\$ 4,675,275</u>	<u>\$ 23,029,278</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

Total fund balances for governmental funds		\$ 18,033,405
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
		60,964,267
Some of the Town's taxes, sewer usage fees and sewer assessments will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		
		1,495,690
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
Long-term debt:		
Bonds payable, net	\$ (7,685,904)	
Notes payable	(3,298,257)	
Capital leases	(504,657)	
Accrued interest payable	(61,156)	
Other long-term liabilities:		
Net pension liability	(6,586,842)	
Net OPEB liability	(3,520,315)	
Heart and hypertension obligations	(234,640)	
Compensated absences	(1,140,278)	
		(23,032,049)
Deferred outflows and inflows of resources resulting from changes in the components of the Town's net pension and OPEB liabilities are reported in the statement of net position.		
		1,439,836
Net position of governmental activities		\$ 58,901,149

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 32,716,405	\$ -	\$ -	\$ -	\$ 32,716,405
Intergovernmental	9,811,538	-	-	4,223,920	14,035,458
Charges for goods and services	741,548	-	-	3,132,024	3,873,572
Interest income	289,530	67,653	2,124	58,501	417,808
Other	21,316	88,033	-	218,489	327,838
Total revenues	<u>43,580,337</u>	<u>155,686</u>	<u>2,124</u>	<u>7,632,934</u>	<u>51,371,081</u>
EXPENDITURES					
Current:					
General government	2,038,644	-	-	359,735	2,398,379
Public safety	3,851,599	-	-	326,499	4,178,098
Conservation and health	123,709	-	-	-	123,709
Highways	2,344,538	-	-	522,569	2,867,107
Sanitation and waste removal	895,304	-	-	1,876,211	2,771,515
Culture and recreation	755,190	-	-	99,279	854,469
Education	26,786,067	-	-	4,083,860	30,869,927
Insurance and benefits	3,137,802	-	-	-	3,137,802
Capital outlays	-	1,387,901	243,614	193,223	1,824,738
Debt service	1,057,620	-	-	-	1,057,620
Total expenditures	<u>40,990,473</u>	<u>1,387,901</u>	<u>243,614</u>	<u>7,461,376</u>	<u>50,083,364</u>
Excess (deficiency) of revenues over expenditures	2,589,864	(1,232,215)	(241,490)	171,558	1,287,717
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	-	-	1,115,000	-	1,115,000
Premium on issuance of bonds	-	-	122,114	-	122,114
Transfers in	-	1,771,861	-	376,835	2,148,696
Transfers out	(1,947,815)	-	-	(200,881)	(2,148,696)
Total other financing sources (uses)	<u>(1,947,815)</u>	<u>1,771,861</u>	<u>1,237,114</u>	<u>175,954</u>	<u>1,237,114</u>
Net change in fund balances	642,049	539,646	995,624	347,512	2,524,831
Fund balances - beginning of year	<u>10,410,954</u>	<u>2,679,843</u>	<u>(489,850)</u>	<u>2,907,627</u>	<u>15,508,574</u>
Fund balances - ending	<u>\$ 11,053,003</u>	<u>\$ 3,219,489</u>	<u>\$ 505,774</u>	<u>\$ 3,255,139</u>	<u>\$ 18,033,405</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, 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, 2019

Net change in fund balances - total governmental funds \$ 2,524,831

Total change in net position reported for governmental activities in the statement of activities is 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 and reported as depreciation expense. The amount by which depreciation expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 1,968,431	
Depreciation and amortization expense	(2,762,507)	
Net adjustment		(794,076)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. (294,566)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Debt issued or incurred:		
Bonds payable	(1,115,000)	
Premium on bonds	(122,144)	
Principal repayments:		
Bonds payable	620,000	
Notes payable	57,875	
Obligations under capital lease	80,538	
Amortization of bond premiums	27,410	
		(451,321)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Compensated absences	(5,565)	
Accrued interest	(13,865)	
Heart and hypertension obligations	112,466	
Net pension liability	(151,252)	
Net OPEB liability	(321,644)	
		(379,860)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities. 103,627

Change in net position of governmental activities \$ 708,635

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 32,559,491	\$ 32,559,491	\$ 32,716,405	\$ 156,914
Intergovernmental	5,789,547	5,789,547	6,377,893	588,346
Local revenues	547,920	547,920	724,158	176,238
Revenues from use of money	50,000	50,000	289,530	239,530
Total revenues	<u>38,946,958</u>	<u>38,946,958</u>	<u>40,107,986</u>	<u>1,161,028</u>
EXPENDITURES				
Current:				
Administrative services	1,569,862	1,589,933	1,481,358	(108,575)
Public safety	3,852,180	3,836,711	3,799,920	(36,791)
Physical services	2,363,377	2,378,067	2,344,538	(33,529)
Culture and liesure	787,945	789,330	755,190	(34,140)
General government	5,312,223	5,221,893	4,658,442	(563,451)
Boards and commissions	63,675	65,175	57,159	(8,016)
Capital improvement	977,668	1,839,029	1,839,029	-
Debt service	1,020,028	1,020,028	962,953	(57,075)
Total Town	<u>15,946,958</u>	<u>16,740,166</u>	<u>15,898,589</u>	<u>(841,577)</u>
Current:				
Education	23,450,000	23,541,349	23,529,744	(11,605)
Total expenditures	<u>39,396,958</u>	<u>40,281,515</u>	<u>39,428,333</u>	<u>(853,182)</u>
Excess (deficiency) of revenues over expenditures	(450,000)	(1,334,557)	679,653	2,014,210
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	450,000	1,404,210	-	(1,404,210)
Transfers out	-	(69,653)	(69,653)	-
Total other financing sources (uses)	<u>450,000</u>	<u>1,334,557</u>	<u>(69,653)</u>	<u>(1,404,210)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,000</u>	<u>\$ 610,000</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AS OF JUNE 30, 2019

	Pension Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 1,360,817	\$ 90,197	\$ 273,656
Investments:			
Mutual funds	24,495,881	303,193	-
Fixed income securities	3,300,553	-	-
Certificates of deposit	-	75,823	-
Receivables	55,000	-	396,659
Total assets	<u>29,212,251</u>	<u>469,213</u>	<u>\$ 670,315</u>
LIABILITIES			
Accounts payable	26,970	-	\$ -
Due to student groups	-	-	111,606
Due to others	-	-	558,709
Total liabilities	<u>26,970</u>	<u>-</u>	<u>\$ 670,315</u>
NET POSITION			
Restricted for pension and other benefits	<u>\$ 29,185,281</u>	<u>\$ 469,213</u>	

The accompanying notes are an integral part of these financial statements .

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

	Pension Trust Funds	Private Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 1,437,639	\$ -
Plan members	298,327	-
Private donations	-	10,000
Total contributions	<u>1,735,966</u>	<u>10,000</u>
Investment earnings:		
Interest and dividends	566,595	13,656
Net change in the fair value of investments, net of fees	<u>1,059,213</u>	<u>2,403</u>
Net investment earnings	<u>1,625,808</u>	<u>16,059</u>
Total additions	<u>3,361,774</u>	<u>26,059</u>
DEDUCTIONS		
Benefit payments	1,497,762	-
Awards expense	-	16,300
Administrative expenses	<u>31,819</u>	<u>3,521</u>
Total deductions	<u>1,529,581</u>	<u>19,821</u>
Change in net position	1,832,193	6,238
Net position - beginning	<u>27,353,088</u>	<u>462,975</u>
Net position - ending	<u><u>\$ 29,185,281</u></u>	<u><u>\$ 469,213</u></u>

The accompanying notes are an integral part of these financial statements .

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of East Windsor, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

The Town of East Windsor, Connecticut was incorporated in 1768 and operates in accordance with the provisions of its charter, which was revised effective November 1998. The Town operates under a Board of Selectmen, Town Meeting and Board of Finance form of government and provides the following services: public safety, community maintenance, conservation and health, highway, sanitation and waste removal, culture and recreation, education and general government.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town is the administrator of a single-employer defined benefit pension plan (the "Plan"). The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, balances of the Plan are accounted for in the fiduciary fund financial statements as a pension trust fund.

The Town is the administrator of an Other Post-Employment Benefits Program (the "OPEB Plan"), which is a single-employer defined benefit other post-employment benefits plan. The OPEB Plan does not issue stand-alone financial statements and is a part of the Town's financial reporting entity. As such, balances of the OPEB Plan are accounted for in the fiduciary fund financial statements as an other post-employment benefits trust fund.

The basic financial statements of the reporting entity include only the funds of the Town as no component units exist based on operational or financial relationships with the Town.

Related Organizations

The Warehouse Point Fire District (the "District") is responsible for the operations of the fire department within the boundaries of the District, which is located within Town. The District is governed by an independent Board of Commissioners. The District is considered an overlapping government as the geographic area serviced by the District is within the boundaries of the Town.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties. The Town has no business-type activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements *(Continued)*

Government-wide Financial Statements *(Continued)*

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Capital and Nonrecurring Fund - This fund accounts for financial revenues used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment and capital additions.

Capital Projects Fund - This fund is used to account for appropriations related to major capital purchases and projects.

In addition, the Town reports the following fiduciary fund types:

Pension and Other Post-Employment Benefits Trust Funds - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's defined benefit pension plan and other post-employment benefit plan.

Private Purpose Trust Fund - This fund type is used to account for trust arrangements under which principal and income benefit individuals. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes a private purpose trust fund to account for activities of student scholarships.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance bonds fund. The student activities funds account for monies generated by student activities in the Town's school system for use by students and for student awards. The performance bonds fund accounts for monies received to ensure that driveways are installed to correct specifications for new construction.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

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

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received or is available to be received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The pension and other post-employment benefits trust funds and private purpose trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus, but utilizes the accrual basis of accounting for reporting assets and liabilities.

Implementation of Accounting Standards

Effective July 1, 2018, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The adoption of this statement did not have a material effect on the Town's financial statements.

Effective July 1, 2018, the Town adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*. GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). The Statement established criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The adoption of this statement did not have a material effect on the Town's financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools as described below.

Investments in certain external investment pools consist of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool/fund.

Inventories

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Property Taxes

Property taxes are assessed as of October 1. Taxes are billed in July and due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$205,000 as of June 30, 2019.

Sewer Assessment and Usage Charges

Upon completion of projects, sewer assessments are levied and assessed to the users. Usage charges are billed in advance. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Loans Receivable

The Town administers a Rehabilitation Loan Program. The loans bear an interest rate of 0.0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. Loans receivable under this program totaled \$37,817 as of June 30, 2019.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$7,000 for machinery and equipment, \$20,000 for building improvements and \$100,000 for infrastructure and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	25
Machinery and equipment	5
Computer equipment	3
Infrastructure	20 - 60

Unearned Revenue

Unearned revenue represents resources that have been received, but not yet earned.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net position that applies to a future period(s) and so will not be recognized as outflows or inflows of resources until that time.

The Town reports unavailable revenue in the governmental funds balance sheet. Unavailable revenue is recognized as inflows of resources in the period that the amounts become available.

The Town reports deferred charges on pension and OPEB expenses in the government-wide statement of net position. Deferred charges on pension and OPEB expenses resulted from changes in the components of the Town's net pension and OPEB liabilities and are being amortized as a component of pension and OPEB expense on a systematic and rational basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Compensated Absences

Vacation time earned may be accumulated by employees until termination of their employment, at which time they are paid for this accumulated time. Vacation leave is valued using current salary costs, as well as any salary-related payments that are directly or incrementally connected with leave payments to employees. Sick leave is accrued and is contingent upon absences being caused by employee future illness or retirements. The sick leave calculation is also based on current salary costs as well as salary related payments.

All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or when the vested amount is expected to be paid with available resources.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

Net Position and Fund Balance

The government-wide statement of net position presents the Town's non-fiduciary assets, deferred outflows and inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets - This category consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted - This category of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This category consists of net position which does not meet the definition of the two preceding categories.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Net Position and Fund Balance *(Continued)*

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, the Town uses restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned. It is the Town's policy to maintain a fund balance in the General Fund between 5% and 17% of operating expenditures. A gradual increase of 1% per year is required under this policy to restore the General Fund unassigned balance should it fall below the minimum level.

Interfund Activities

Interfund activities are reported as follows:

Interfund 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- The Board of Finance prepares the budget from information furnished by various Town departments and Board of Selectmen recommendations. The operating budgets include proposed expenditures and the means of financing them.
- The budget is presented at a public hearing before being formally voted on at a Town Referendum.
- The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department, office, board or commission level.
- Additional appropriations may be made during the year based upon recommendations of the Board of Finance and subject to Town meeting approval.
- Formal budgetary integration is employed as a management control device during the year.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers within their budget at their discretion. Any additional appropriations must have Board of Education, Board of Finance and, if necessary, Town Meeting approval.
- The budget is prepared on the modified accrual basis of accounting. "On-behalf" payments made by the State of Connecticut into the State Teacher's Retirement System are not recorded for budgetary purposes.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- Generally, all unexpended appropriations lapse at year-end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, 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").

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 - BUDGETARY INFORMATION *(Continued)*

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, 2019:

	Total Revenues	Total Expenditures	Other Financing Uses, net	Net Change In Fund Balance
Budgetary basis	\$ 40,107,986	\$ 39,245,027	\$ (252,959)	\$ 610,000
"On-behalf" payments - State Teachers' Retirement Fund	3,439,629	3,439,629	-	-
Certain revenues and expenses presented net for budgetary purposes	11,406	11,406	-	-
Transfers recorded as an expenditure for bugetary purposes	-	(1,744,361)	(1,744,361)	-
Budgetary perspective differences - funds combined for GAAP financial reporting purposes:				
Heart & Hypertension Fund	-	-	33,945	33,945
Storm Emergency Fund	-	-	15,560	15,560
Warehouse Point Fire Fund	21,316	38,772	-	(17,456)
GAAP basis	<u>\$ 43,580,337</u>	<u>\$ 40,990,473</u>	<u>\$ (1,947,815)</u>	<u>\$ 642,049</u>

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash and cash equivalents as of June 30, 2019 is as follows:

Government-wide statement of net position:

Cash and cash equivalents	\$ 19,272,108
Less: cash equivalents considered investments for disclosure purposes	<u>(10,186,006)</u>
	<u>9,086,102</u>

Statement of fiduciary net position:

Cash and cash equivalents	1,724,670
Add: investments considered cash deposits for disclosure purposes	75,823
Less: cash equivalents considered investments for disclosure purposes	<u>(1,360,817)</u>
	<u>439,676</u>
	<u>\$ 9,525,778</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Cash Deposits *(Continued)*

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2019, \$9,717,113 of the Town's bank balance of \$10,467,113 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 8,745,402
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>971,711</u>
	<u><u>\$ 9,717,113</u></u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut General Statutes. Under Connecticut General Statutes, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

A reconciliation of the Town's investments as of June 30, 2019 is as follows:

Government-wide statement of net position:

Investments	\$ -
Add: cash equivalents considered investments for disclosure purposes	<u>10,186,006</u>
	<u>10,186,006</u>

Statement of fiduciary net position:

Investments	28,175,450
Less: investments considered cash equivalents for disclosure purposes	(75,823)
Add: cash equivalents considered investments for disclosure purposes	<u>1,360,817</u>
	<u>29,460,444</u>
	<u><u>\$ 39,646,450</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of June 30, 2019, the Town's investments consisted of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)		
			Less Than 1	1 to 5	6 to 10
Debt Securities:					
Governmental Activities:					
Short Term Investment Fund (STIF)	Net asset value	\$ 10,186,006	\$ 10,186,006	\$ -	\$ -
Fiduciary Funds:					
Money market mutual funds	Net asset value	1,360,817	1,360,817	-	-
Fixed income securities	Fair value	3,300,553	704,498	2,596,055	-
		14,847,376	\$ 12,251,321	\$ 2,596,055	\$ -
Other investments:					
Fiduciary Funds:					
Mutual funds	Fair value	24,799,074			
		\$ 39,646,450			

Because the STIF and money market mutual funds have weighted average maturities of less than 90 days, they have been presented as investments with maturities less than one year.

Interest Rate Risk

The Town's pension investment policy limits the type of fixed income securities to minimize the level of interest rate risk. All fixed income securities must have readily ascertainable market value and must be readily marketable. The investment policy emphasizes long-term rather than short-term performance.

Credit Risk

The Town has does not have an investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes for its non-fiduciary investments. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan. The Town's pension investment policy limits fixed income securities to those backed by the full faith and credit of the United States Government and other bonds, not guaranteed by the United States Government, provided they are at least a "BBB" or equivalent rating by a national rating agency.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk *(Continued)*

The Town's investment in debt securities were rated by Standard & Poor's as follows at June 30, 2019:

<u>Investment type</u>	<u>Value</u>	<u>AAA</u>	<u>A</u>	<u>BBB</u>
Debt Securities:				
STIF	\$ 10,186,006	\$ 10,186,006	\$ -	\$ -
Fixed income securities	3,300,553	-	1,302,945	1,997,608

Investments in money market mutual funds in the amount of \$1,360,817 were unrated as of June 30, 2019.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, 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. The Town does not have a policy for custodial credit risk. The Town's investments are not exposed to custodial credit risk because they are either not evidenced by securities that exist in physical or book entry form or they are held by a reputable custodian in the name of the Town.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2019, 100% of the Town's investments within its governmental activities were invested in the Short-term Investment Fund. As of June 30, 2019, more than 10% of the Town's investments within its fiduciary funds were invested in the following:

<u>Investment</u>	<u>Value</u>	<u>Issuer</u>	<u>% of Fiduciary Investments</u>
S&P 500 ETF TRUST	\$ 9,867,876	SPDR State Street Global Advisors	33.5%
Fidelity Contra Fund	3,021,365	Fidelity	10.3%

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4 - FAIR VALUE MEASUREMENTS *(Continued)*

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2019, by level within the fair value hierarchy are presented in the table below.

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 24,799,074	\$ -	\$ -	\$ 24,799,074
Fixed income securities	-	3,300,553	-	3,300,553

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 5,384,759	\$ -	\$ -	\$ -	\$ 5,384,759
Construction in progress	211,124	208,851	-	(211,124)	208,851
Total capital assets, not being depreciated	5,595,883	208,851	-	(211,124)	5,593,610
Capital assets, being depreciated:					
Buildings and improvements	38,102,852	1,299,043	-	173,289	39,575,184
Machinery and equipment	9,078,710	460,537	(59,521)	37,835	9,517,561
Infrastructure	49,997,699	-	-	-	49,997,699
Total capital assets, being depreciated	97,179,261	1,759,580	(59,521)	211,124	99,090,444
Less accumulated depreciation:					
Buildings and improvements	17,197,746	1,375,081	-	-	18,572,827
Machinery and equipment	6,006,487	479,993	(59,521)	-	6,426,959
Infrastructure	17,812,568	907,433	-	-	18,720,001
Total accumulated depreciation	41,016,801	2,762,507	(59,521)	-	43,719,787
Total capital assets, being depreciated, net	56,162,460	(1,002,927)	-	211,124	55,370,657
Governmental activities capital assets, net	\$ 61,758,343	\$ (794,076)	\$ -	\$ -	\$ 60,964,267

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5 - CAPITAL ASSETS *(Continued)*

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:		
General government	\$	150,465
Public safety		391,668
Highway		895,137
Sanitation and waste removal		732,302
Culture and recreation		61,409
Education		531,526
Total depreciation and amortization expense	\$	<u>2,762,507</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2019 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital and Nonrecurring Fund	\$ 39,521
	Nonmajor Governmental Funds	245,052
		<u>284,573</u>
Nonmajor Governmental Funds	General Fund	1,269,809
		\$ <u>1,554,382</u>

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Capital and Nonrecurring Fund	General Fund	\$ 1,744,361
	Nonmajor Governmental Funds	27,500
		<u>1,771,861</u>
Nonmajor Governmental Funds	General Fund	203,454
	Nonmajor Governmental Funds	173,381
		<u>376,835</u>
		<u>\$ 2,148,696</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 7 - INTERFUND TRANSFERS *(Continued)*

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 - SHORT-TERM DEBT

The following is a summary of changes in short-term debt for the year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation notes payable	\$ 1,856,000	\$ -	\$ (1,856,000)	\$ -

In December 2018, the Town retired \$1,856,000 of bond anticipation notes through the issuance of \$1,115,000 in general obligation bonds and the repayment of \$741,000 from Town resources. The bond anticipation notes bore an interest rate of 2.0% and matured in January 2019.

NOTE 9 - LONG-TERM DEBT

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying asset.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 6,950,000	\$ 1,115,000	\$ (620,000)	\$ 7,445,000	\$ 635,000
Unamortized premium	146,200	122,114	(27,410)	240,904	-
Total bonds payable	7,096,200	1,237,114	(647,410)	7,685,904	635,000
Capital leases from direct borrowings	585,195	-	(80,538)	504,657	82,563
Notes payable from direct borrowings	3,356,132	-	(57,875)	3,298,257	59,466
	<u>\$ 11,037,527</u>	<u>\$ 1,237,114</u>	<u>\$ (785,823)</u>	<u>\$ 11,488,818</u>	<u>\$ 777,029</u>

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are secured by the full faith and credit of the Town but are substantially liquidated by the General Fund via taxes collected from the levy on all taxable properties located within the Town. The remaining liabilities above typically have been liquidated in the General Fund and other governmental funds.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9 - LONG-TERM DEBT *(Continued)*

General Obligation Bonds and Notes Payable from Direct Borrowings

A summary of general obligation bonds and note payable outstanding at June 30, 2019 is as follows:

Purpose of Bonds	Fiscal Date of Issue	Original Issue	Interest Rates	Fiscal Maturity Date	Amount Outstanding
Governmental Activities					
General Obligation Refunding Bonds	2014	\$ 2,640,000	2.0% - 4.0%	2025	\$ 1,160,000
General Obligation Bonds	2016	5,740,000	2.0% - 3.0%	2037	5,170,000
General Obligation Bonds	2019	1,115,000	5.00%	2026	1,115,000
					<u>\$ 7,445,000</u>
Notes payable					
Rural Development Loan	2012	2,180,000	2.375%	2052	\$ 1,947,234
Rural Development Loan	2015	1,435,000	2.75%	2055	1,351,023
					<u>\$ 3,298,257</u>

Annual debt service requirements to maturity on general obligation bonds and the note payables from direct borrowings are as follows as of June 30, 2019:

Year ending June 30:	Governmental Activities					
	Bonds Payable		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 635,000	\$ 202,935	\$ 59,466	\$ 90,702	\$ 694,466	\$ 293,637
2021	645,000	179,045	61,101	89,067	706,101	268,112
2022	645,000	154,495	62,782	87,386	707,782	241,881
2023	640,000	131,995	64,508	85,660	704,508	217,655
2024	630,000	112,839	66,282	83,886	696,282	196,725
2025-2029	1,930,000	353,556	359,772	391,068	2,289,772	744,624
2030-2034	1,425,000	182,695	412,042	338,798	1,837,042	521,493
2035-2039	895,000	31,968	471,899	278,941	1,366,899	310,909
2040-2044	-	-	540,451	210,389	540,451	210,389
2045-2049	-	-	618,965	131,875	618,965	131,875
2050-2054	-	-	523,828	44,521	523,828	44,521
2055-2059	-	-	57,161	1,574	57,161	1,574
	<u>\$ 7,445,000</u>	<u>\$ 1,349,528</u>	<u>\$ 3,298,257</u>	<u>\$ 1,833,867</u>	<u>\$ 10,743,257</u>	<u>\$ 3,183,395</u>

Statutory Debt Limitations

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2019.

Authorized, Unissued Debt

As of June 30, 2019, the Town had no authorized, unissued debt.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9 - LONG-TERM DEBT *(Continued)*

Capital Leases from Direct Borrowings

Capital leases from direct borrowings include non-appropriation clauses and provide the obligor with a security interest in the underlying equipment in the event of default.

A summary of assets acquired through capital lease is as follows as of June 30, 2019:

	Governmental Activites
Machinery and equipment	\$ 837,924
Less: accumulated depreciation	201,350
	<u>\$ 636,574</u>

Amortization expense relative to leased equipment under the capital lease totaled \$49,131 for the year ended June 30, 2019. Such amounts are included in depreciation and amortization expense disclosed in Note 5. Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2019 is as follows:

Year ending June 30:	Governmental Activites
2020	\$ 94,668
2021	94,668
2022	94,668
2023	94,668
2024	94,668
Thereafter	71,718
Total minimum lease payments	545,058
Less: amount representing interest	40,401
Present value of minimum lease payments	<u>\$ 504,657</u>

NOTE 10 - OTHER LONG-TERM LIABILITIES

Change in other long-term liabilities for the year ended June 30, 2019 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,134,713	\$ 5,565	\$ -	\$ 1,140,278	\$ 285,070
Heart and hypertension obligations	347,106	-	(112,435)	234,671	-
Net pension liability <i>(see Note 11)</i>	6,435,590	151,252	-	6,586,842	-
Net OPEB liability <i>(see Note 12)</i>	3,198,671	321,644	-	3,520,315	-
	<u>\$ 11,116,080</u>	<u>\$ 478,461</u>	<u>\$ (112,435)</u>	<u>\$ 11,482,106</u>	<u>\$ 285,070</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 - OTHER LONG-TERM LIABILITIES *(Continued)*

Heart and Hypertension Obligations

The Town's estimated liability for heart and hypertension obligations as of June 30, 2019 totaled \$234,671. Heart and hypertension obligations are based upon estimates of either the ultimate cost of claims to be incurred by eligible beneficiaries or the actual amount of settlements reached and unpaid as of year end. Because estimated future claim costs depend on a number of estimates, including inflation, life expectancy and expected claims frequency, it is reasonably possible that the Town's liability for heart and hypertension obligations as of June 30, 2019 will change in the near term.

NOTE 11 - PENSION PLANS

Defined Benefit Plan

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, balances of the Plan as of and for the year ended June 30, 2019 are accounted for in the fiduciary fund financial statements as a pension trust fund.

Plan Description

The Plan covers all full-time employees of the Town except certified employees of the Board of Education, who are covered by a plan administered by the Connecticut State Teacher's Retirement Board. Employees become eligible to participate in the Plan on the eligibility date coinciding with, or next following, a specified date of hire and completion of 1,000 hours of service. Employees are generally 100% vested after five years of continuous service, except for police personnel hired after July 1, 2007, which are 100% vested after seven years of service. Benefits and contributions are established and may be amended by the Town.

Plan Membership

Membership of the Plan consisted of the following as of July 1, 2018, the date of the most recent actuarial valuation:

Retirees and beneficiaries currently receiving benefits	90
Vested terminated employees	127
Active employees	175
	<u>392</u>

Contributions

The contribution requirements of plan members are established and may be amended by the Town Pension and Retirement Board. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rates for normal costs of the Plan was determined using the projected unit credit method.

Required employee contribution rates under the Plan range from 2.0% to 7.0% of covered payroll based on the applicable bargaining unit.

Benefit Provisions

Retirement benefits range from 1.25% to 2.25% of the participant's average annual compensation for the applicable service period multiplied by years of credited service.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Benefit Provisions

Retirement benefits range from 1.25% to 2.25% of the participant's average annual compensation for the applicable service period multiplied by years of credited service.

Normal retirement age for public works and WPCA employees is the later of age 60 or 15 years of service; for sworn police personnel it is the later of age 50 or 25 years of service; for dispatchers it is the later of age 60 and 25 years of service; and for all other employees it is the later of age 65 and 5 years of service. Early retirement age is the later of age 55 and the completion of at least ten years of credited service.

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments - Investments are measured at fair value, except for investments money market mutual funds which are permitted to be measured at net asset value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Town. It is the policy of the Town to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The 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.

Rate of return - For the year ended June 30, 2019 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 6.05%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

Administrative costs of the Plan are generally financed through investment earnings.

Concentrations

As of June 30, 2019, more than 10% of the Plan's investments were invested in the following:

Investment	Value	Issuer	% of Plan Investments
S&P 500 ETF TRUST	\$ 9,867,876	SPDR State Street Global Advisors	35.3%
Fidelity Contra Fund	3,021,365	Fidelity	10.8%

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2019, were as follows:

Total pension liability	\$ 34,576,643
Plan fiduciary net position	<u>(27,989,801)</u>
Town's net pension liability	<u><u>\$ 6,586,842</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	 80.95%

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2019 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2018	<u>\$ 32,742,756</u>	<u>\$ 26,307,166</u>	<u>\$ 6,435,590</u>
Changes for the year:			
Service cost	875,006	-	875,006
Interest	2,137,243	-	2,137,243
Actuarial (gains) losses	319,400	-	319,400
Contributions - employer	-	1,306,989	(1,306,989)
Contributions - employee	-	298,327	(298,327)
Net investment income	-	1,597,561	(1,597,561)
Benefit payments, including refunds	(1,497,762)	(1,497,762)	-
Administrative expense	-	(22,480)	22,480
Net changes	<u>1,833,887</u>	<u>1,682,635</u>	<u>151,252</u>
Balance as of June 30, 2019	<u><u>\$ 34,576,643</u></u>	<u><u>\$ 27,989,801</u></u>	<u><u>\$ 6,586,842</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Net Pension Liability *(Continued)*

Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Unisex Healthy Annuitant Mortality Table, with adjustments to the valuation year for mortality improvements based on Scale BB.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	60.00%	4.61%
Fixed Income	40.00%	2.40%

Discount rate - The discount rate used to measure the total pension liability was 6.5%. 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 the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town, calculated using the discount rate of 6.5%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount (6.5%)	1% Increase (7.5%)
Town Plan's net pension liability	\$ 10,844,048	\$ 6,586,842	\$ 3,016,295

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources

At June 30, 2019, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 578,510	\$ (39,869)	\$ 538,641
Changes of assumptions	1,022,837	-	1,022,837
Net difference between projected and actual earnings on pension plan investments	-	(410,891)	(410,891)
Total	<u>\$ 1,601,347</u>	<u>\$ (450,760)</u>	<u>\$ 1,150,587</u>

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

Year ended June 30,	
2020	\$ 557,343
2021	338,393
2000	165,089
2023	89,762
	<u>\$ 1,150,587</u>

Payable to the Pension Plan

At June 30, 2019, the Town did not report a payable for any contributions outstanding to the pension plan.

Connecticut State Teachers' Retirement System

Plan Description

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The TRS is included as a fiduciary pension trust fund in the State of Connecticut's Comprehensive Annual Financial Report and the Board issues publicly available financial reports. These reports can be obtained from the Connecticut Office of the State Comptroller.

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

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

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

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

Contributions

Per CGS 10-183z, contribution requirements of active employees and the State are amended and certified by the Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

In accordance with CGS Section 10-183z, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute 100% of an employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Effective January, 1, 2018, active employees are required to contribute 7.0%, previously 6.0%, of their annual earnings to the plan.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

Administrative Expenses

Administrative costs of the plan are funded by the State.

Basis of Presentation

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2019.

Allocation Methodology

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2018 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For fiscal year 2018, the Town's expected contribution effort for allocation purposes totaled \$3,346,774 or 0.263% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2019.

The components associated with the collective pension expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2018. The portion of the collective pension expense allocated to the Town totaled \$3,886,445.

The total collective net pension liability of participating employers for the TRS was approximately \$13.164 billion as of the June 30, 2018 measurement date. The portion attributed to the Town totaled \$34,628,569 or approximately 0.263% of the total collective net pension liability.

Actuarial Assumptions

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

Inflation	2.50%
Salary increase	43.50% - 10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption are expenses are paid for by the General Assembly

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Actuarial Assumptions *(Continued)*

Future cost-of-living increases for teachers 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%.

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.0%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%
Emerging Markets (Non-U.S.)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Fixed Income (Core)	7.0%	1.3%
High Yield Bonds	5.0%	3.9%
Emerging Market Bonds	5.0%	3.7%
Inflation Linked Bonds	3.0%	1.0%
Cash	6.0%	0.4%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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 the State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 11 - PENSION PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Proportionate Share of the Collective Net Pension Liability

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 2018 measurement date, calculated using a discount rate of 8.00%, as well as what the proportionate share of the net pension liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.0%)	Current Discount (8.0%)	1% Increase (9.0%)
Proportion of the net pension liability attributed to the Town	\$ 43,764,212	\$ 34,628,569	\$ 26,902,829

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Town and Board of Education Plan

Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses. The Post-Retirement Medical Program (the "Plan"), is accounted for as a single-employer defined benefit plan. The Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the Town and the General Statutes of the State of Connecticut. The Plan is considered to be part of the Town's financial reporting entity. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Plan Provisions

Teachers and administrators: Teachers or administrators retiring under the Connecticut State Teachers Retirement System are eligible to receive health benefits for self and spouse with 100% contribution of premiums.

Police and dispatchers: Police and dispatchers who retire with at least 20 years of service are eligible for coverage. Police and dispatchers contribute 50% of premiums with 20 to 24 years of experience and 25% of premiums with 25 years of service or over.

Town hall, public works, Board of Education non-certified and unaffiliated personnel: Eligible to health receive benefits with 100% contribution of premiums.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Plan Membership

Membership of the Plan consisted of the following as of July 1, 2018, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	23
Active employees	321
	<u>344</u>

Funding Policy

Contribution requirements of the plan members and the Town are established under the provisions of various collective bargaining agreements and in accordance with the General Statutes of the State of Connecticut. The Town began funding the benefits in a trust fund during the year ended June 30, 2012. Town contributions totaled \$436,469 for the year ended June 30, 2019 and represented 2.2% of covered payroll.

Summary of Significant Accounting Policies

The OPEB Plan is accounted for using the accrual basis of accounting. Employer contributions to the OPEB Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB Plan.

Investments - Investments are measured at fair value, except for investments money market mutual funds which are permitted to be measured at net asset value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. The OPEB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Town. It is the policy of the Town to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB 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.

Rate of return - For the year ended June 30, 2019 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 6.65%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

Administrative costs of the Plan are generally financed through investment earnings.

Concentrations

As of June 30, 2019, more than 10% of the OPEB Plan's investments were invested in the following:

<u>Investment</u>	<u>Value</u>	<u>Issuer</u>	<u>% of OPEB Plan Investments</u>
S&P 500 ETF TRUST	\$ 431,882	SPDR State Street Global Advisors	37.0%
iShares Intermediate Credit Bond ETF	149,949	BlackRock Investments, LLC	12.8%

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability

The components of the Town's net OPEB liability related to its OPEB Plan as of June 30, 2019, was as follows:

Total OPEB liability	\$ 4,742,765
Plan fiduciary net position	<u>(1,222,450)</u>
Town's net OPEB liability	<u><u>\$ 3,520,315</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	25.78%

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The total OPEB liability was determined by an actuarial valuation date as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Investment rate of return	6.50 percent, net of plan investment expense, including inflation
Healthcare cost trend rate	5.62% - 4.40% over 65 years

Mortality rates were based on the RP-2000 Mortality Table for Males and Females, with adjustments for mortality improvements based on Scale BB.

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	60.00%	4.61%
Fixed Income	40.00%	2.40%

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan (Continued)

Changes in Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2018	\$ 4,244,593	\$ 1,045,922	\$ 3,198,671
Changes for the year:			
Service cost	159,352	-	159,352
Interest	276,474	-	276,474
Actuarial (gains) losses	368,165	-	368,165
Contributions - employer	-	436,469	(436,469)
Net investment income	-	68,878	(68,878)
Benefit payments, including refunds	(305,819)	(305,819)	-
Administrative expense	-	(23,000)	23,000
Net changes	<u>498,172</u>	<u>176,528</u>	<u>321,644</u>
Balance as of June 30, 2019	<u>\$ 4,742,765</u>	<u>\$ 1,222,450</u>	<u>\$ 3,520,315</u>

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan 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 (5.5%)	Current Discount (6.5%)	1% Increase (7.5%)
Town Plan's net OPEB liability	\$ 3,947,725	\$ 3,520,315	\$ 3,140,400

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the Town's net OPEB liability for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount	1% Increase
Town Plan's net OPEB liability	\$ 3,049,233	\$ 3,520,315	\$ 4,070,198

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, the Town recognized OPEB expense of \$455,226. As of June 30, 2019, the Town reported deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 913,653	\$ -	\$ 913,653
Changes of assumptions	-	(616,289)	(616,289)
Net difference between projected and actual earnings on pension plan investments	-	(8,115)	(8,115)
Total	\$ 913,653	\$ (624,404)	\$ 289,249

Amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

Year ended June 30,	
2020	\$ 67,919
2021	67,919
2022	67,921
2023	71,330
2024	14,160
	\$ 289,249

Connecticut State Teachers' Retirement System

Plan Description

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. These reports can be obtained from the Connecticut Office of the State Comptroller.

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.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, 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.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

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.

Contributions

Per CGS 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 and annual appropriation in the General Fund. School district employers are not required to make contributions to the Plan.

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.

Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Basis of Presentation

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2019.

The components associated with the OPEB expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes for the year ended June 30, 2018.

Allocation Methodology

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employer and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2018.

For fiscal year 2018, the Town's expected contribution effort for allocation purposes totaled \$92,855 or 0.263% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2019.

The components associated with the collective OPEB expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2018. The portion of the collective negative OPEB expense allocated to the Town totaled \$(2,299,631).

The total collective net OPEB liability of participating employers for the TRS was approximately \$2.632 billion as of the June 30, 2018 measurement date. The portion attributed to the Town totaled \$6,922,442 or approximately 0.263% of the total collective net OPEB liability.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Actuarial Assumptions

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

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25% - 6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

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

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 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.

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	Long-term Expected Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2016 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 annual at a rate of 3.25%.
- 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.
- No future employer contributions were assumed to be made.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Proportionate Share of the Collective Net Pension Liability

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2018 measurement date, calculated using a discount rate of 3.87%, as well as what the proportionate share of the net OPEB liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.56%)	Current Discount (3.56%)	1% Increase (4.56%)
Proportion of the net OPEB liability attributed to the Town	\$ 8,219,887	\$ 6,922,442	\$ 5,886,969

Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2018 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Discount	1% Increase
Proportion of the net OPEB liability attributed to the Town	\$ 5,801,219	\$ 6,922,442	\$ 8,410,782

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 13 - FUND BALANCE

The various components of fund balance as of June 30, 2019 are as follows:

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Other Funds
Nonspendable - inventories	\$ -	\$ -	\$ -	\$ 3,461
Restricted for:				
Small Cities grant program	-	-	-	39,091
Town programs - contributions	-	-	-	200,107
Maintenance of cemeteries	-	-	-	5,134
Roads and dams	-	-	493,108	-
Committed for:				
Capital purposes	-	3,219,489	12,666	162,144
Heart & hypertension claims	313,085	-	-	-
Storm emergencies	137,554	-	-	-
Parks and recreation programs	-	-	-	169,209
Police	-	-	-	238,459
Public safety programs	-	-	-	2,101
Sewer operations	-	-	-	1,318,197
Assessments - debt service	-	-	-	987,255
Family resource center	-	-	-	85,125
Youth services	-	-	-	10,778
Other purposes	-	-	-	39,834
Assigned to:				
Use in fiscal year 2020 budget	500,000	-	-	-
Unassigned	10,102,364	-	-	(5,756)
	<u>\$ 11,053,003</u>	<u>\$ 3,219,489</u>	<u>\$ 505,774</u>	<u>\$ 3,255,139</u>

Deficit Fund Balances

The School Cafeteria Fund has an unassigned deficit fund balance of \$5,756 as of June 30, 2019, which does not constitute a violation of statutory provisions. The deficit in the School Cafeteria Fund is expected to be funded through a combination of costs reductions and transfers in from the General Fund.

NOTE 14 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. During the year ended June 30, 2019, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

NOTE 14 - RISK MANAGEMENT *(Continued)*

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program.

Workers' Compensation Pool

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

Liability-Automobile-Property Pool

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

NOTE 15 - COMMITMENTS AND CONTINGENCIES

There are several legal matters pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

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

NOTE 16 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

NOTE 16 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)*

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving 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, 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the District's reporting period beginning July 1, 2019. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The 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. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for the District's reporting period beginning July 1, 2021. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
PENSION PLAN (UNAUDITED)
LAST SIX FISCAL YEARS
(Rounded to Nearest Thousand)

	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 875,000	\$ 901,000	\$ 801,000	\$ 778,000	\$ 668,000	\$ 667,000
Interest	2,137,000	2,019,000	1,916,000	1,817,000	1,681,000	1,602,000
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	319,000	270,000	(62,000)	561,000	-	-
Changes of assumptions	-	-	2,301,000	-	-	-
Benefit payments, including refunds	(1,498,000)	(1,337,000)	(1,258,000)	(1,126,000)	(1,159,000)	(1,007,000)
Net change in total pension liability	1,833,000	1,853,000	3,698,000	2,030,000	1,190,000	1,262,000
Total pension liability - beginning	32,743,000	30,890,000	27,192,000	25,162,000	23,972,000	22,710,000
Total pension liability - ending	34,576,000	32,743,000	30,890,000	27,192,000	25,162,000	23,972,000
Plan fiduciary net position						
Contributions - employer	1,307,000	1,229,000	967,000	913,000	959,000	939,000
Contributions - members	298,000	295,000	290,000	300,000	252,000	272,000
Net investment income	1,597,000	2,281,000	2,194,000	524,000	917,000	2,776,000
Benefit payments, including refunds	(1,498,000)	(1,337,000)	(1,258,000)	(1,126,000)	(1,042,000)	(1,007,000)
Administrative expense	(22,000)	(26,000)	(24,000)	(38,000)	(40,000)	(30,000)
Net change in plan fiduciary net position	1,682,000	2,442,000	2,169,000	573,000	1,046,000	2,950,000
Plan fiduciary net position - beginning	26,307,000	23,865,000	21,696,000	21,123,000	20,077,000	17,127,000
Plan fiduciary net position - ending	27,989,000	26,307,000	23,865,000	21,696,000	21,123,000	20,077,000
Town's net pension liability	\$ 6,587,000	\$ 6,436,000	\$ 7,025,000	\$ 5,496,000	\$ 4,039,000	\$ 3,895,000
Plan fiduciary net position as a percentage of total pension liability	80.95%	80.34%	77.26%	79.79%	83.95%	83.75%
Covered payroll	\$ 8,385,439	\$ 7,839,918	\$ 7,520,064	\$ 6,477,145	\$ 6,617,466	\$ 6,035,101
Town's net pension liability as a percentage of covered payroll	78.55%	82.09%	93.42%	84.85%	61.04%	64.54%

See accompanying notes to required supplementary information.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
PENSION PLAN (UNAUDITED)
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,306,989	\$ 1,228,568	\$ 946,526	\$ 862,350	\$ 959,089	\$ 938,840
Contributions in relation to the actuarially determined contribution	<u>1,306,989</u>	<u>1,228,568</u>	<u>966,582</u>	<u>912,750</u>	<u>959,089</u>	<u>938,840</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,056)</u>	<u>\$ (50,400)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,385,439	\$ 7,839,918	\$ 7,520,064	\$ 6,477,145	\$ 6,617,466	\$ 6,035,101
Contributions as a percentage of covered payroll	15.59%	15.67%	12.85%	14.09%	14.49%	15.56%
Annual money-weighted rate of return, net of investment expense	6.05%	9.68%	10.16%	2.50%	4.54%	16.12%

See accompanying notes to required supplementary information.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FIVE FISCAL YEARS
(Rounded to Nearest Thousand)

	2019	2018	2017	2016	2015
Proportion of the net pension liability attributed to the Town	0.263%	0.254%	0.254%	0.245%	0.245%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed with the Town	34,629,000	34,283,000	36,169,000	26,839,000	24,807,000
Total	<u>\$ 34,629,000</u>	<u>\$ 34,283,000</u>	<u>\$ 36,169,000</u>	<u>\$ 26,839,000</u>	<u>\$ 24,807,000</u>
Town's covered payroll	\$ 12,200,000	\$ 10,300,000	\$ 10,139,000	\$ 10,181,000	\$ 9,969,000
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

See accompanying notes to required supplementary information.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST THREE FISCAL YEARS
(Rounded to Nearest Thousand)

	2019	2018	2017
Total OPEB liability			
Service cost	\$ 159,000	\$ 121,000	\$ 113,000
Interest	276,000	268,000	260,000
Changes in benefit terms	-	-	-
Differences between expected and actual experience	1,131,000	-	-
Changes of assumptions	(763,000)	-	-
Benefit payments, including refunds	(306,000)	(284,000)	(230,000)
Net change in total OPEB liability	497,000	105,000	143,000
Total OPEB liability - beginning	4,245,000	4,140,000	3,997,000
Total OPEB liability - ending	4,742,000	4,245,000	4,140,000
Plan fiduciary net position			
Contributions	436,000	349,000	351,000
Net investment income	69,000	78,000	73,000
Benefit payments, including refunds	(306,000)	(284,000)	(230,000)
Administrative expense	(5,000)	(23,000)	(4,000)
Net change in plan fiduciary net position	194,000	120,000	190,000
Plan fiduciary net position - beginning	1,027,000	907,000	717,000
Plan fiduciary net position - ending	1,221,000	1,027,000	907,000
Town's net OPEB liability	\$ 3,521,000	\$ 3,218,000	\$ 3,233,000
Plan fiduciary net position as a percentage of total OPEB liability	25.75%	24.19%	21.91%
Covered employee payroll	\$ 12,200,000	\$ 10,831,000	\$ 10,831,000
Town's net pension liability as a percentage of covered employee payroll	28.86%	29.71%	29.85%

See accompanying notes to required supplementary information.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 350,117	\$ 337,621	\$ 297,826
Contributions in relation to the actuarially determined contribution:			
Contributions to trust	436,469	348,860	121,523
Contributions by General Fund	-	-	229,864
	<u>436,469</u>	<u>348,860</u>	<u>351,387</u>
Contribution deficiency	<u>\$ (86,352)</u>	<u>\$ (11,239)</u>	<u>\$ (53,561)</u>
Covered employee payroll	\$ 12,200,000	\$ 10,831,000	\$ 10,831,000
Contributions as a percentage of covered employee payroll	3.58%	3.22%	3.24%
Annual money-weighted rate of return, net of investment expense	6.65%	8.55%	9.41%

See accompanying notes to required supplementary information.

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST TWO FISCAL YEARS
(Rounded to Nearest Thousand)

	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability attributed to the Town	0.263%	0.254%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability attributed with the Town	6,922,000	8,824,000
Total	<u><u>\$ 6,922,000</u></u>	<u><u>\$ 8,824,000</u></u>
Town's covered employee payroll	\$ 12,200,000	\$ 10,300,000
Town's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

See accompanying notes to required supplementary information.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - SCHEDULE OF CHANGES IN NET PENSION LIABILITY - TOWN EMPLOYEE PENSION PLAN

The Town began to report the schedule of net pension liability when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2018.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the total pension liability.

NOTE 2 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN EMPLOYEE PENSION PLAN

The Town began to report the schedule of net pension liability when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates for 2019 are as follows:

Actuarial cost method:	Projected Unit Credit
Amortization method:	Level percent of payroll
Remaining amortization period:	Closed 20 years
Asset valuation method:	Market value
Investment rate of return:	6.5%
Salary increases:	3.50%

Mortality RP-2000 Combined Healthy Mortality with generational projection per Scale BB.

NOTE 3 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the Town for reporting as of June 30, 2019.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM *(Continued)*

Benefit changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

Assumption changes - The following significant assumption changes had a significant effect on the measurement of the total pension liability reported as of June 30, 2018:

- the inflation assumption was reduced from 2.75% to 2.55%,
- the real rate of return assumption was reduced from 5.25% to 4.40%, which when combined with the inflation assumption change, resulted in a decrease in the investment rate of return assumption from 8.00% to 6.90%, and
- the annual rate of wage increase assumption was increased from 0.50% to 0.75%.

NOTE 4 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2018.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the Town's total OPEB liability.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the Town's total OPEB liability.

NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN *(Continued)*

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2019.

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Payroll
Remaining amortization period:	21 years, closed
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return	6.50%
Discount rate	6.50%
Inflation rate	2.75%
Healthcare cost trend rate:	Initial 5.34%
	Ultimate 4.40%

NOTE 6 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information was utilized by the Town for reporting as of June 30, 2019.

Benefit Changes - Effective July 1, 2018, the Plan changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree health care plan subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a system-sponsored health care plan for those who cancel their coverage or choose not to enroll in a health care coverage option on or after the effective date.

Assumption Changes - The following assumption changes collectively had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2018:

- the expected rate of return on Plan assets was changed from 4.25% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments;
- the discount rate used to measure Plan obligations and amortize supplemental costs was updated to match the expected rate of return on assets selected as of June 30, 2018;
- the long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods; and
- the percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a system-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND
AS OF JUNE 30, 2019

	General Fund	Heart & Hypertension Fund	Storm Emergency Fund	Warehouse Point Fire Fund	Eliminations	Combined General Fund
ASSETS						
Cash and cash equivalents	\$ 12,600,466	\$ -	\$ -	\$ -	\$ -	\$ 12,600,466
Receivables:						
Property taxes and interest, net	1,665,519	-	-	-	-	1,665,519
Grants and contracts	2,321	-	-	-	-	2,321
Other	30,174	-	-	712	-	30,886
Due from other funds	284,573	313,085	137,554	-	(450,639)	284,573
Total assets	<u>\$ 14,583,053</u>	<u>\$ 313,085</u>	<u>\$ 137,554</u>	<u>\$ 712</u>	<u>\$ (450,639)</u>	<u>\$ 14,583,765</u>
LIABILITIES						
Accounts payable	\$ 825,113	\$ -	\$ -	\$ -	\$ -	\$ 825,113
Salaries and benefits payable	279,644	-	-	-	-	279,644
Due to other funds	1,709,588	-	-	10,860	(450,639)	1,269,809
Total liabilities	<u>2,814,345</u>	<u>-</u>	<u>-</u>	<u>10,860</u>	<u>(450,639)</u>	<u>2,374,566</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>1,156,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,156,196</u>
FUND BALANCES						
Committed	-	313,085	137,554	-	-	450,639
Assigned	500,000	-	-	-	-	500,000
Unassigned	10,112,512	-	-	(10,148)	-	10,102,364
Total fund balances	<u>10,612,512</u>	<u>313,085</u>	<u>137,554</u>	<u>(10,148)</u>	<u>-</u>	<u>11,053,003</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,583,053</u>	<u>\$ 313,085</u>	<u>\$ 137,554</u>	<u>\$ 712</u>	<u>\$ (450,639)</u>	<u>\$ 14,583,765</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Heart & Hypertension Fund	Storm Emergency Fund	Warehouse Point Fire Fund	Eliminations	Combined General Fund
REVENUES						
Property taxes	\$ 32,716,405	\$ -	\$ -	\$ -	\$ -	\$ 32,716,405
Intergovernmental	9,811,538	-	-	-	-	9,811,538
Charges for services	741,548	-	-	-	-	741,548
Interest income	289,530	-	-	-	-	289,530
Other	-	-	-	21,316	-	21,316
Total revenues	<u>43,559,021</u>	<u>-</u>	<u>-</u>	<u>21,316</u>	<u>-</u>	<u>43,580,337</u>
EXPENDITURES						
Current:						
General government	2,038,644	-	-	-	-	2,038,644
Public safety	3,812,826	-	-	38,773	-	3,851,599
Conservation and health	123,709	-	-	-	-	123,709
Highways	2,344,538	-	-	-	-	2,344,538
Sanitation and waste removal	895,304	-	-	-	-	895,304
Culture and recreation	755,190	-	-	-	-	755,190
Education	26,786,067	-	-	-	-	26,786,067
Insurance and benefits	3,137,802	-	-	-	-	3,137,802
Debt service	1,057,620	-	-	-	-	1,057,620
Total expenditures	<u>40,951,700</u>	<u>-</u>	<u>-</u>	<u>38,773</u>	<u>-</u>	<u>40,990,473</u>
Excess (deficiency) of revenues over expenditures	2,607,321	-	-	(17,457)	-	2,589,864
OTHER FINANCING SOURCES (USES)						
Transfers in	-	33,945	15,560	-	(49,505)	-
Transfers out	(1,997,320)	-	-	-	49,505	(1,947,815)
Total other financing sources (uses)	<u>(1,997,320)</u>	<u>33,945</u>	<u>15,560</u>	<u>-</u>	<u>-</u>	<u>(1,947,815)</u>
Net change in fund balances	610,001	33,945	15,560	(17,457)	-	642,049
Fund balances - beginning	<u>10,002,511</u>	<u>279,140</u>	<u>121,994</u>	<u>7,309</u>	<u>-</u>	<u>10,410,954</u>
Fund balances - ending	<u>\$ 10,612,512</u>	<u>\$ 313,085</u>	<u>\$ 137,554</u>	<u>\$ (10,148)</u>	<u>\$ -</u>	<u>\$ 11,053,003</u>

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Current and prior year levies	\$ 32,384,491	\$ 32,384,491	\$ 32,131,201	\$ (253,290)
Interest and lien fees	175,000	175,000	585,204	410,204
Total property taxes	32,559,491	32,559,491	32,716,405	156,914
INTERGOVERNMENTAL REVENUES				
Educational cost sharing grant	5,405,649	5,405,649	5,496,597	90,948
Town aid road grant	267,359	267,359	267,358	(1)
Payment in lieu of taxes on State owned property	57,819	57,819	548,433	490,614
Mashantucket Pequot and Mohegan Fund grant	15,432	15,432	15,432	-
Telephone access grant	15,000	15,000	17,390	2,390
Adult education	15,288	15,288	15,476	188
Tax relief - veterans	5,850	5,850	6,821	971
Pro-rata share of CT fines	5,000	5,000	8,799	3,799
Tax exempt property - totally disabled persons	1,650	1,650	1,587	(63)
Other grants	500	500	-	(500)
Total intergovernmental revenues	5,789,547	5,789,547	6,377,893	588,346
LOCAL REVENUES				
Building Department	250,000	250,000	255,527	5,527
Town Clerk	190,000	190,000	222,417	32,417
Treasurer	35,500	35,500	159,889	124,389
Land use permits	14,000	14,000	30,755	16,755
Parks and Recreation	32,500	32,500	30,246	(2,254)
Police Department	10,520	10,520	9,571	(949)
Greater Hartford Transit District	7,000	7,000	7,432	432
Aircraft miscellaneous	3,100	3,100	3,360	260
Dial-A-Ride	3,000	3,000	3,045	45
Public works	2,000	2,000	1,656	(344)
Assessor	300	300	260	(40)
Total licenses, fees and charges for goods and services	547,920	547,920	724,158	176,238
REVENUES FROM THE USE OF MONEY				
Interest on deposits	50,000	50,000	289,530	239,530
Total revenues from the use of money	50,000	50,000	289,530	239,530
OTHER FINANCING SOURCES				
Appropriation of Fund Balance	450,000	1,404,210	-	(1,404,210)
Total other financing sources	450,000	1,404,210	-	(1,404,210)
Total revenues and other financing sources	\$ 39,396,958	\$ 40,351,168	\$ 40,107,986	\$ (243,182)

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
ADMINISTRATIVE SERVICES				
Selectmen	\$ 277,772	\$ 277,772	\$ 270,801	\$ (6,971)
Town Clerk	135,366	138,019	133,502	(4,517)
Treasurer	237,202	237,202	227,832	(9,370)
Assessor	190,990	194,606	187,071	(7,535)
Tax Collector	125,621	128,297	126,977	(1,320)
Town Planner	241,891	247,921	195,276	(52,645)
Building Department	173,639	177,036	156,077	(20,959)
Registrar of Voters	63,925	64,985	61,238	(3,747)
Human services	123,456	124,095	122,584	(1,511)
Total Administrative Services	1,569,862	1,589,933	1,481,358	(108,575)
PUBLIC SAFETY				
Police Department	3,349,054	3,333,585	3,307,952	(25,633)
Emergency management	17,872	17,872	14,332	(3,540)
Communications	53,254	53,254	51,256	(1,998)
Broad Brook Fire Department	432,000	432,000	426,380	(5,620)
Total Public Safety	3,852,180	3,836,711	3,799,920	(36,791)
PHYSICAL SERVICES				
Public Works	897,680	902,470	902,469	(1)
Road improvements	425,000	425,000	425,000	-
Town property	1,040,697	1,050,597	1,017,069	(33,528)
Total Physical Services	2,363,377	2,378,067	2,344,538	(33,529)
CULTURE AND LEISURE				
Senior Center	233,805	233,805	219,409	(14,396)
Parks and Recreation	281,140	282,525	262,781	(19,744)
Warehouse Point Library	273,000	273,000	273,000	-
Total Culture and Leisure	787,945	789,330	755,190	(34,140)
GENERAL GOVERNMENT				
Activities, Agency Fees and Associations	140,056	140,056	139,731	(325)
Legal	260,000	285,000	280,672	(4,328)
Insurance and pension	3,735,419	3,636,180	3,137,802	(498,378)
Information technology	196,598	206,748	204,933	(1,815)
Sanitation	930,150	930,150	895,304	(34,846)
Contingency	50,000	23,759	-	(23,759)
Total General Government	5,312,223	5,221,893	4,658,442	(563,451)

(Continued)

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
BOARDS AND COMMISSIONS				
Board of Finance	\$ 44,375	\$ 44,375	\$ 44,129	\$ (246)
Planning and Zoning Commission	3,250	3,250	2,455	(795)
Zoning Board of Appeals	1,400	1,400	68	(1,332)
Board of Assessment Appeals	1,550	1,550	872	(678)
Economic Development Commission	4,150	4,150	3,375	(775)
Inlands, Wetlands & Watercourse Agency	1,800	1,800	1,065	(735)
Police Commission	1,500	1,500	1,500	-
Charter Revision	-	1,500	1,500	-
Building Commission	1,200	1,200	320	(880)
Elderly Commission	500	500	225	(275)
Ethics Commission	500	500	-	(500)
Historical Commission	500	500	-	(500)
Capital Improvement Planning	750	750	750	-
Veteran's Commission	1,200	1,200	900	(300)
Agricultural Commission	500	500	-	(500)
Conservation Commission	500	500	-	(500)
Total boards and commissions	63,675	65,175	57,159	(8,016)
CAPITAL IMPROVEMENT	977,668	1,839,029	1,839,029	-
DEBT SERVICE	1,020,028	1,020,028	962,953	(57,075)
EDUCATION	23,450,000	23,541,349	23,529,744	(11,605)
Total expenditures	39,396,958	40,281,515	39,428,333	(853,182)
OTHER FINANCING USES				
Transfers out:				
Dog Fund	-	20,148	20,148	-
Heart & Hypertension Fund	-	33,945	33,945	-
Storm Emergency Fund	-	15,560	15,560	-
Total other financing uses	-	69,653	69,653	-
Total expenditures and other financing uses	\$ 39,396,958	\$ 40,351,168	\$ 39,497,986	\$ (853,182)

(Concluded)

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS - EDUCATION
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
EDUCATION				
Salaries				
Certified personnel	\$ 8,992,642	\$ 8,845,491	\$ 8,845,491	\$ -
Clerical	542,122	509,312	509,312	-
Building administration	818,726	817,044	817,044	-
Teacher's aides	1,014,484	1,188,640	1,188,640	-
Custodial	658,591	684,967	684,967	-
Administration	405,690	406,459	406,459	-
Tutors	574,967	512,217	512,217	-
Nurses	275,491	284,701	284,701	-
Support services	1,718,862	1,737,070	1,737,070	-
Stipends	205,376	204,203	204,203	-
Substitutes	111,435	214,790	214,790	-
Summer school	115,253	115,252	115,252	-
Adult education/enrichment	38,396	38,396	38,396	-
Total salaries	15,472,035	15,558,542	15,558,542	-
Employee Benefits				
Health insurance	1,679,861	1,925,307	1,925,307	-
Retirement and social security	1,041,196	1,129,757	1,129,757	-
Workmen's compensation and travel insurance	189,621	153,138	153,138	-
Total employee benefits	2,910,678	3,208,202	3,208,202	-
Purchased Services				
Public transportation	1,553,218	1,516,231	1,516,231	-
Tuition	1,480,763	1,277,385	1,277,385	-
Other professional services	762,558	623,120	623,120	-
Cleaning/repairing	17,963	44,358	44,358	-
Maintenance	180,774	108,917	108,917	-
Public utilities	208,065	237,763	228,188	(9,575)
Liability insurance	124,837	127,457	127,457	-
Travel, conferences and other transportation	18,220	18,191	18,191	-
Communications	62,380	43,015	43,015	-
Printing/binding	32,870	13,855	13,855	-
Property insurance	124,837	124,019	124,019	-
Total purchased services	4,566,485	4,134,311	4,124,736	(9,575)
Supplies				
Other supplies	72,366	79,772	79,772	-
Instructional	86,016	94,404	92,374	(2,030)
Heat and energy	219,800	181,687	181,687	-
Custodial/maintenance	66,618	52,649	52,649	-
Textbooks	22,274	21,585	21,585	-
Food service	1	183,306	183,306	-
Total supplies	467,075	613,403	611,373	(2,030)
Dues and fees	33,727	26,891	26,891	-
Total education	\$ 23,450,000	\$ 23,541,349	\$ 23,529,744	\$ (11,605)

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2019

Grand List Year	Balance Uncollected June 30, 2018	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2019
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2017	\$ -	\$ 32,790,315	\$ 136,354	\$ 795,047	\$ 10,274	\$ 32,121,348	\$ 31,727,813	\$ 133,243	\$ 31,861,056	\$ 393,535
2016	375,720	-	37,526	105,143	5,930	302,173	181,165	69,963	251,128	121,008
2015	127,922	-	21,017	11,876	3,230	133,833	67,675	83,193	150,868	66,158
2014	88,289	-	-	4,915	3,503	79,871	40,613	25,213	65,826	39,258
2013	62,953	-	-	4,446	640	57,867	1,921	5,827	7,748	55,946
2012	80,425	-	-	480	369	79,576	6,683	2,352	9,035	72,893
2011	73,744	-	-	3,969	-	69,775	754	6,474	7,228	69,021
2010	71,995	-	-	3,912	400	67,683	802	6,192	6,994	66,881
2009	66,711	-	-	3,851	1,841	61,019	331	7,265	7,596	60,688
2008	52,247	-	-	3,491	2,971	45,785	215	2,885	3,100	45,570
2007	46,347	-	-	3,056	-	43,291	16	3,685	3,701	43,275
2006	115	-	-	115	-	-	-	678	678	-
2005	114	-	-	114	-	-	-	2,057	2,057	-
2004	112	-	-	112	-	-	-	448	448	-
2003	108	-	-	108	-	-	-	636	636	-
2002	102	-	-	102	-	-	-	-	-	-
2001	122	-	-	122	-	-	-	-	-	-
	<u>\$ 1,047,026</u>	<u>\$ 32,790,315</u>	<u>\$ 194,897</u>	<u>\$ 940,859</u>	<u>\$ 29,158</u>	<u>\$ 33,062,221</u>	<u>\$ 32,027,988</u>	<u>\$ 350,111</u>	<u>\$ 32,378,099</u>	<u>\$ 1,034,233</u>

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
AS OF JUNE 30, 2019

Total cash collections for the year ended

June 30, 2019:

Taxes	\$ 32,027,988
Interest and lien fees	350,111
Wharehouse Point Fire District (taxes, interest and liens)	<u>645,474</u>
Total	<u>33,023,573</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	<u>8,408</u>
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Base \$ 33,031,981

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 74,321,957	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	148,643,915	-	-	-
3-3/4 times base	-	-	123,869,929	-	-
3-1/4 times base	-	-	-	107,353,938	-
3 times base	-	-	-	-	99,095,943
Total debt limitation	<u>74,321,957</u>	<u>148,643,915</u>	<u>123,869,929</u>	<u>107,353,938</u>	<u>99,095,943</u>
Indebtedness:					
Bonds payable	3,015,200	4,429,800	-	-	-
Notes payable	-	-	3,298,257	-	-
Authorized but not issued	-	-	-	-	-
	<u>3,015,200</u>	<u>4,429,800</u>	<u>3,298,257</u>	<u>-</u>	<u>-</u>
Less: sewer assessments receivable	-	-	(272,997)	-	-
Less: grant reimbursements	-	(815,000) *	-	-	-
Total indebtedness	<u>3,015,200</u>	<u>3,614,800</u>	<u>3,025,260</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 71,306,757</u></u>	<u><u>\$ 145,029,115</u></u>	<u><u>\$ 120,844,669</u></u>	<u><u>\$ 107,353,938</u></u>	<u><u>\$ 99,095,943</u></u>
Total capacity of borrowing (7 times base)	\$ 231,223,867				
Total present indebtedness	<u>9,655,260</u>				
Margin for additional borrowing	<u><u>\$ 221,568,607</u></u>				

* Includes school construction progress payments estimated to be 57.86% of eligible project costs.

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2019

	Nonmajor Special Revenue Funds									
	Park and Recreation Programs	Police Private Duty Fund	Dog Fund	Sewer Operating Fund	Sewer Assessment Fund	Sewer Capital Fund	Drug Forfeiture Fund	Small Cities Fund	Youth Services Fund	Town Aid Road Fund
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,416,502	\$ 1,127,296	\$ 162,144	\$ 76,108	\$ 1,274	\$ -	\$ -
Receivables:										
Assessments and user charges	-	-	-	66,497	272,997	-	-	-	-	-
Grants and contracts	-	-	-	-	-	-	-	-	-	-
Other	1,280	33,492	-	-	-	-	-	37,817	-	-
Due from other funds	195,672	135,528	8,597	143,221	3,180	-	-	-	24,657	18,192
Inventories	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 196,952</u>	<u>\$ 169,020</u>	<u>\$ 8,597</u>	<u>\$ 1,626,220</u>	<u>\$ 1,403,473</u>	<u>\$ 162,144</u>	<u>\$ 76,108</u>	<u>\$ 39,091</u>	<u>\$ 24,657</u>	<u>\$ 18,192</u>
LIABILITIES										
Accounts payable	\$ 2,431	\$ -	\$ 6,496	\$ 60,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,192
Salaries and benefits payable	4,349	934	-	13,064	-	-	-	-	13,879	-
Due to other funds	-	-	-	11,022	143,221	-	4,735	-	-	-
Unearned revenue	20,963	1,000	-	156,670	-	-	-	-	-	-
Total liabilities	<u>27,743</u>	<u>1,934</u>	<u>6,496</u>	<u>241,526</u>	<u>143,221</u>	<u>-</u>	<u>4,735</u>	<u>-</u>	<u>13,879</u>	<u>18,192</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	66,497	272,997	-	-	-	-	-
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	39,091	-	-
Committed to:										
Capital purposes	-	-	-	-	-	162,144	-	-	-	-
Other purposes	169,209	167,086	2,101	1,318,197	987,255	-	71,373	-	10,778	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>169,209</u>	<u>167,086</u>	<u>2,101</u>	<u>1,318,197</u>	<u>987,255</u>	<u>162,144</u>	<u>71,373</u>	<u>39,091</u>	<u>10,778</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 196,952</u>	<u>\$ 169,020</u>	<u>\$ 8,597</u>	<u>\$ 1,626,220</u>	<u>\$ 1,403,473</u>	<u>\$ 162,144</u>	<u>\$ 76,108</u>	<u>\$ 39,091</u>	<u>\$ 24,657</u>	<u>\$ 18,192</u>

(Continued)

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
AS OF JUNE 30, 2019

	Nonmajor Special Revenue Funds								Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
	Miscellaneous Donations Fund	Miscellaneous Grants Fund	Senior Center Fund	Casino Impact Fund	Educational Grants Fund	School Cafeteria Fund	Family Resource Center Fund	Subtotal	Cemetery Trust Fund	
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 557	\$ 112,389	\$ 2,896,270	\$ 5,134	\$ 2,901,404
Receivables:										
Assessments and user charges	-	-	-	-	-	-	-	339,494	-	339,494
Grants and contracts	-	22,784	-	-	3,615	59,724	-	86,123	-	86,123
Other	2,395	-	-	-	-	-	-	74,984	-	74,984
Due from other funds	197,712	495,054	14,596	-	33,400	-	-	1,269,809	-	1,269,809
Inventories	-	-	-	-	-	3,461	-	3,461	-	3,461
Total assets	<u>\$ 200,107</u>	<u>\$ 517,838</u>	<u>\$ 14,596</u>	<u>\$ -</u>	<u>\$ 37,015</u>	<u>\$ 63,742</u>	<u>\$ 112,389</u>	<u>4,670,141</u>	<u>\$ 5,134</u>	<u>\$ 4,675,275</u>
LIABILITIES										
Accounts payable	\$ -	\$ -	\$ 427	\$ -	\$ -	\$ -	\$ -	\$ 88,316	\$ -	\$ 88,316
Salaries and benefits payable	-	-	-	-	-	-	-	32,226	-	32,226
Due to other funds	-	-	-	-	-	66,037	20,037	245,052	-	245,052
Unearned revenue	-	492,173	-	-	37,015	-	7,227	715,048	-	715,048
Total liabilities	<u>-</u>	<u>492,173</u>	<u>427</u>	<u>-</u>	<u>37,015</u>	<u>66,037</u>	<u>27,264</u>	<u>1,080,642</u>	<u>-</u>	<u>1,080,642</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	-	-	-	-	-	-	-	339,494	-	339,494
FUND BALANCES										
Nonspendable:										
Inventories	-	-	-	-	-	3,461	-	3,461	-	3,461
Restricted	200,107	-	-	-	-	-	-	239,198	5,134	244,332
Committed to:										
Capital purposes	-	-	-	-	-	-	-	162,144	-	162,144
Other purposes	-	25,665	14,169	-	-	-	85,125	2,850,958	-	2,850,958
Unassigned	-	-	-	-	-	(5,756)	-	(5,756)	-	(5,756)
Total fund balances	<u>200,107</u>	<u>25,665</u>	<u>14,169</u>	<u>-</u>	<u>-</u>	<u>(2,295)</u>	<u>85,125</u>	<u>3,250,005</u>	<u>5,134</u>	<u>3,255,139</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 200,107</u>	<u>\$ 517,838</u>	<u>\$ 14,596</u>	<u>\$ -</u>	<u>\$ 37,015</u>	<u>\$ 63,742</u>	<u>\$ 112,389</u>	<u>\$ 4,670,141</u>	<u>\$ 5,134</u>	<u>\$ 4,675,275</u>
(Concluded)										

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds									
	Park and Recreation Programs	Police Private Duty Fund	Dog Fund	Sewer Operating Fund	Sewer Assessment Fund	Sewer Capital Fund	Drug Forfeiture Fund	Small Cities Fund	Youth Services Fund	Town Aid Road Fund
REVENUES										
Intergovernmental	\$ -	\$ 7,470	\$ -	\$ 2,514	\$ -	\$ -	\$ 2,079	\$ 29,593	\$ 18,602	\$ 18,192
Charges for goods and services	105,041	215,728	8,243	2,043,764	264,082	-	-	-	10,000	-
Interest income	-	-	-	37,023	16,259	1,992	105	563	-	-
Other	975	-	-	-	-	-	69,881	-	-	-
Total revenues	106,016	223,198	8,243	2,083,301	280,341	1,992	72,065	30,156	28,602	18,192
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	81,593	17,824	-
Public safety	-	205,263	28,813	-	-	-	5,546	-	-	-
Highways	-	-	-	-	-	-	-	-	-	18,192
Culture and recreation	94,291	-	-	-	-	-	-	-	-	-
Sanitation and waste removal	-	-	-	1,876,211	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	193,223	-	-	-	-	-	-
Total expenditures	94,291	205,263	28,813	2,069,434	-	-	5,546	81,593	17,824	18,192
Excess (deficiency) of revenues over expenditures	11,725	17,935	(20,570)	13,867	280,341	1,992	66,519	(51,437)	10,778	-
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	20,148	173,381	-	-	-	-	-	-
Transfers out	-	(27,500)	-	-	(173,381)	-	-	-	-	-
Total other financing sources (uses)	-	(27,500)	20,148	173,381	(173,381)	-	-	-	-	-
Net change in fund balances	11,725	(9,565)	(422)	187,248	106,960	1,992	66,519	(51,437)	10,778	-
Fund balances - beginning	157,484	176,651	2,523	1,130,949	880,295	160,152	4,854	90,528	-	-
Fund balances - ending	\$ 169,209	\$ 167,086	\$ 2,101	\$ 1,318,197	\$ 987,255	\$ 162,144	\$ 71,373	\$ 39,091	\$ 10,778	\$ -

(Continued)

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds								Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
	Miscellaneous Donations Fund	Miscellaneous Grants Fund	Senior Center Fund	Casino Impact Fund	Educational Grants Fund	School Cafeteria Fund	Family Resource Center Fund	Subtotal	Cemetery Trust Fund	
REVENUES										
Intergovernmental	\$ -	\$ 694,165	\$ -	\$ -	\$ 2,967,315	\$ 383,990	\$ 100,000	\$ 4,223,920	\$ -	\$ 4,223,920
Charges for goods and services	-	-	12,581	-	-	187,025	285,560	3,132,024	-	3,132,024
Interest income	-	-	-	-	-	2,314	129	58,385	116	58,501
Other	42,436	95,491	140	7,589	-	-	1,977	218,489	-	218,489
Total revenues	42,436	789,656	12,721	7,589	2,967,315	573,329	387,666	7,632,818	116	7,632,934
EXPENDITURES										
Current:										
General government	49,324	194,178	9,227	7,589	-	-	-	359,735	-	359,735
Public safety	-	86,877	-	-	-	-	-	326,499	-	326,499
Highways	-	504,377	-	-	-	-	-	522,569	-	522,569
Culture and recreation	3,976	1,012	-	-	-	-	-	99,279	-	99,279
Sanitation and waste removal	-	-	-	-	-	-	-	1,876,211	-	1,876,211
Education	1,543	-	-	-	2,967,315	696,909	418,093	4,083,860	-	4,083,860
Capital outlays	-	-	-	-	-	-	-	193,223	-	193,223
Total expenditures	54,843	786,444	9,227	7,589	2,967,315	696,909	418,093	7,461,376	-	7,461,376
Excess (deficiency) of revenues over expenditures	(12,407)	3,212	3,494	-	-	(123,580)	(30,427)	171,442	116	171,558
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	183,306	-	376,835	-	376,835
Transfers out	-	-	-	-	-	-	-	(200,881)	-	(200,881)
Total other financing sources (uses)	-	-	-	-	-	183,306	-	175,954	-	175,954
Net change in fund balances	(12,407)	3,212	3,494	-	-	59,726	(30,427)	347,396	116	347,512
Fund balances - beginning	212,514	22,453	10,675	-	-	(62,021)	115,552	2,902,609	5,018	2,907,627
Fund balances - ending	\$ 200,107	\$ 25,665	\$ 14,169	\$ -	\$ -	\$ (2,295)	\$ 85,125	\$ 3,250,005	\$ 5,134	\$ 3,255,139
										(Concluded)

(Concluded)

FIDUCIARY FUNDS

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER POST-EMPLOYMENT
BENEFITS TRUST FUNDS
AS OF JUNE 30, 2019

	Pension Trust Fund	Other Post- Employment Benefits Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,308,979	\$ 51,838	\$ 1,360,817
Investments:			
Mutual funds	23,380,269	1,115,612	24,495,881
Fixed income securities	3,300,553	-	3,300,553
Receivables	-	55,000	55,000
Total assets	<u>27,989,801</u>	<u>1,222,450</u>	<u>29,212,251</u>
LIABILITIES			
Payables	25,921	1,049	26,970
Total liabilities	<u>25,921</u>	<u>1,049</u>	<u>26,970</u>
NET POSITION			
Restricted for pension and other post-employment benefits	<u>\$ 27,963,880</u>	<u>\$ 1,221,401</u>	<u>\$ 29,185,281</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POST-EMPLOYMENT
BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Pension Trust Fund	Other Post- Employment Benefits Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 1,306,989	\$ 130,650	\$ 1,437,639
Plan members	298,327	-	298,327
Total contributions	<u>1,605,316</u>	<u>130,650</u>	<u>1,735,966</u>
Investment earnings:			
Interest and dividends	542,911	23,684	566,595
Net increase in the fair value of investments, net of fees	<u>1,010,229</u>	<u>48,984</u>	<u>1,059,213</u>
Total investment earnings	<u>1,553,140</u>	<u>72,668</u>	<u>1,625,808</u>
Total additions	<u>3,158,456</u>	<u>203,318</u>	<u>3,361,774</u>
DEDUCTIONS			
Benefit payments	1,497,762	-	1,497,762
Administrative expenses	<u>22,480</u>	<u>9,339</u>	<u>31,819</u>
Total deductions	<u>1,520,242</u>	<u>9,339</u>	<u>1,529,581</u>
Change in net position	1,638,214	193,979	1,832,193
Net position - beginning	<u>26,325,666</u>	<u>1,027,422</u>	<u>27,353,088</u>
Net position - ending	<u>\$ 27,963,880</u>	<u>\$ 1,221,401</u>	<u>\$ 29,185,281</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF JUNE 30, 2019

	Student Activities Fund	Performance Bonds Fund	Total Agency Funds
ASSETS			
Cash and cash equivalents	\$ 111,606	\$ 162,050	\$ 273,656
Receivables	-	396,659	396,659
Total assets	<u>\$ 111,606</u>	<u>\$ 558,709</u>	<u>\$ 670,315</u>
LIABILITIES			
Due to student groups	\$ 111,606	\$ -	\$ 111,606
Due to others	-	558,709	558,709
Total liabilities	<u>\$ 111,606</u>	<u>\$ 558,709</u>	<u>\$ 670,315</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance,</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2019</u>
Student Activities Fund				
Assets				
Cash and cash equivalents	\$ 137,446	\$ 162,400	\$ 188,240	\$ 111,606
Liabilities				
Due to student groups	\$ 137,446	\$ 162,400	\$ 188,240	\$ 111,606
Performance Bonds Fund				
Assets				
Cash and cash equivalents	\$ -	\$ 162,050	\$ -	\$ 162,050
Receivables	375,299	40,760	19,400	396,659
Total assets	\$ 375,299	\$ 202,810	\$ 19,400	\$ 558,709
Liabilities				
Due to others	\$ 375,299	\$ 202,810	\$ 19,400	\$ 558,709
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 137,446	\$ 324,450	\$ 188,240	\$ 273,656
Receivables	375,299	40,760	19,400	396,659
Total assets	\$ 512,745	\$ 365,210	\$ 207,640	\$ 670,315
Liabilities				
Due to student groups	\$ 137,446	\$ 162,400	\$ 188,240	\$ 111,606
Due to others	375,299	202,810	19,400	558,709
Total liabilities	\$ 512,745	\$ 365,210	\$ 207,640	\$ 670,315

OTHER SUPPLEMENTARY INFORMATION

TOWN OF EAST WINDSOR, CONNECTICUT
OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF JUNE 30, 2019

I. Amounts of the gross and the net taxable Grand List (October 1, 2018):

1. Gross Taxable Grand List	1,088,961,553
2. Net Taxable Grand List	954,201,918

II. Ten largest taxpayers on the October 1, 2018 Grand List, with taxable valuation:

	Net Assessment	% of Net Taxable Grand List
1 The Mansions at Canyon Ridge	\$ 21,782,950	2.3%
2 Eversource	18,472,250	1.9%
3 Walmart Stores East, LP	15,750,000	1.7%
4 Southern Auto Sales, Inc.	15,458,420	1.6%
5 Millpond Limited Partnership	14,707,560	1.5%
6 East Windsor Properties Ltd Partnership	9,772,210	1.0%
7 Wynwood Apartments Connecticut Led Ptnr	8,640,270	0.9%
8 Connecticut Water Company	8,185,470	0.9%
9 EQC Industrial Properties, LLC	7,000,000	0.7%
10 Prospect Hill Properties Ltd Partnership	5,311,400	0.6%
	<u>\$ 125,080,530</u>	<u>13.1%</u>

III. Percentage of the annual property tax levy uncollected as of the close of the fiscal year ending June 30, 2019:

	Adjusted Levy	Uncollected Taxes June 30, 2019	% Uncollected Taxes June 30, 2019
October 1, 2017 Grand List	\$ 32,131,623	\$ 393,535	1.2%

IV. Calculation of debt as of the close of the fiscal year ending June 30, 2019:

Long-Term Debt:	
General obligation bonds payable	\$ 7,445,000
Notes payable	3,298,259
Total Direct Debt	<u>10,743,259</u>
Less:	
Special assessments receivable (sewers)	<u>(272,997)</u>
Net Direct Debt	10,470,262
Overlapping and Underlying Debt	-
Total Overall Net Debt	<u>\$ 10,470,262</u>

TOWN OF EAST WINDSOR, CONNECTICUT
OTHER SUPPLEMENTARY INFORMATION (UNAUDITED) *(Concluded)*
AS OF JUNE 30, 2019

V. Debt per Capita

Population Estimate (as of July 1, 2017):*		11,409
Total Direct Debt Per Capita	\$	1,066
Total Net Direct Debt Per Capita		1,013
Total Overall Net Debt Per Capita		1,013

* - Population estimate obtained from State of Connecticut Department of Public Health website.

VI. Ratio of Debt to Net Taxable Grand List

Net Taxable Grand List	\$	954,201,918
Total Direct Debt to Net Taxable Grand List		1.27%
Total Overall Net Debt to Net Taxable Grand List		1.21%