

**TOWN OF EAST WINDSOR, CONNECTICUT**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2022**

**TOWN OF EAST WINDSOR, CONNECTICUT**  
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**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
Town of East Windsor, Connecticut

### Report on the Financial Statements

#### *Opinions*

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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Windsor, Connecticut, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the information on pages 56 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Mahoney Sabol + Company, LLP*

Certified Public Accountants  
Glastonbury, Connecticut  
December 22, 2022

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**TOWN OF EAST WINDSOR, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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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, 2022.

**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 \$56,656,843 (net position). Of this amount, \$10,570,179 represents the Town's unrestricted net position.
- The Town's total net position increased by \$2,010,727 during the current fiscal year.
- The Town's total long-term debt decreased by \$324,073 or 5.0%.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$20,063,476, an increase of \$1,424,661 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,245,406. Unassigned fund balance is sufficient to cover 2.6 months of and represents 21.6% of the Town's fiscal year 2023 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, public works, community services 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 14 and 15 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, the Capital Projects Fund, and the Town Grant 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 16 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, 2022**

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**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 23 through 55 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 56 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**

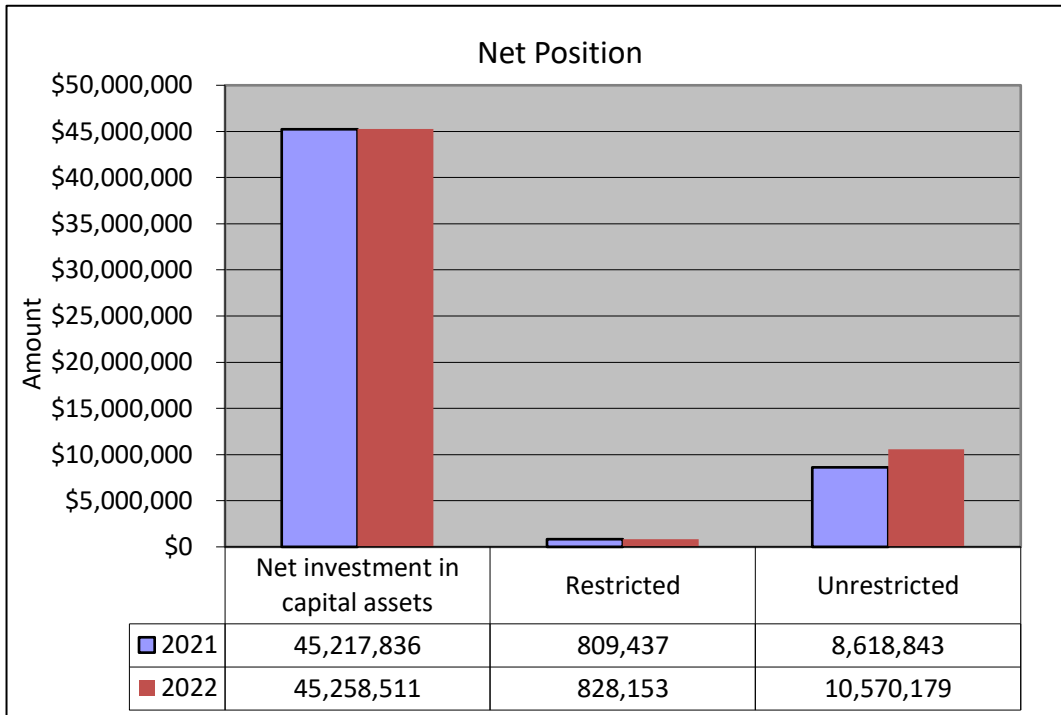
Over time, net position may serve as one measure of a government's financial position. The Town's net position as of June 30, 2021 has been restated for the implementation of GASB Statement No. 87, *Leases*. Net position of the Town totaled \$56,656,843 and \$54,646,116 as of June 30, 2022 and 2021, respectively, and are summarized as follows:

	<u>2022</u>	<u>2021</u> <i>(As Restated)</i>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 26,023,276	\$ 24,775,857	\$ 1,247,419	5.0%
Capital assets	50,969,223	51,260,281	(291,058)	-0.6%
Total assets	<u>76,992,499</u>	<u>76,036,138</u>	<u>956,361</u>	1.3%
Deferred outflows of resources	<u>3,880,229</u>	<u>1,898,919</u>	<u>1,981,310</u>	104.3%
Other liabilities	4,466,924	4,892,141	(425,217)	-8.7%
Long-term liabilities	<u>17,598,341</u>	<u>11,328,520</u>	<u>6,269,821</u>	55.3%
Total liabilities	<u>22,065,265</u>	<u>16,220,661</u>	<u>5,844,604</u>	36.0%
Deferred inflows of resources	<u>2,150,620</u>	<u>7,068,280</u>	<u>(4,917,660)</u>	-69.6%
Net position:				
Net investment in capital assets	45,258,511	45,217,836	40,675	0.1%
Restricted	828,153	809,437	18,716	2.3%
Unrestricted	<u>10,570,179</u>	<u>8,618,843</u>	<u>1,951,336</u>	22.6%
Total net position	<u>\$ 56,656,843</u>	<u>\$ 54,646,116</u>	<u>\$ 2,010,727</u>	3.7%

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Net Position *(Continued)***



As of June 30, 2022, the majority 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.

Approximately 1.5% of the Town's net position as of June 30, 2022 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.

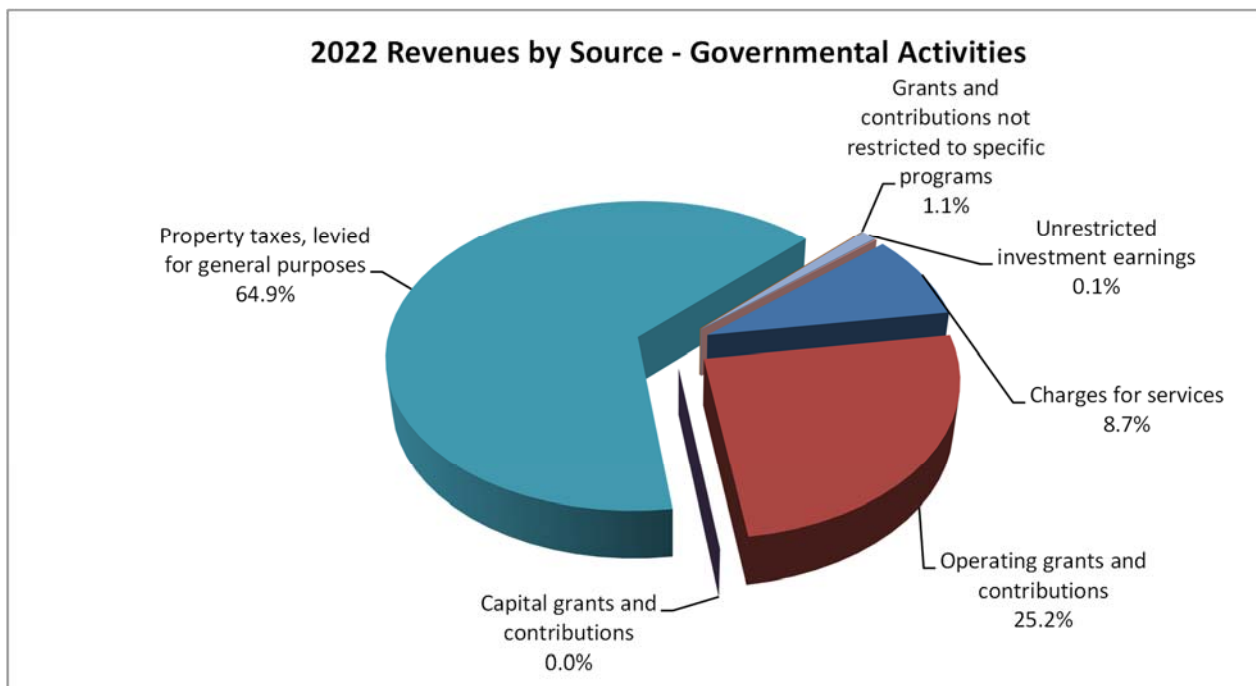
**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

Changes in net position for the years ended June 30, 2022 and 2021 are as follows.

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 4,663,761	\$ 4,707,348	\$ (43,587)	-0.9%
Operating grants and contributions	13,493,649	16,200,478	(2,706,829)	-16.7%
Capital grants and contributions	-	141,529	(141,529)	-
General revenues:				
Property taxes, levied for general purposes	34,815,869	33,769,801	1,046,068	3.1%
Grants and contributions not restricted to specific programs	589,327	589,933	(606)	-0.1%
Unrestricted investment earnings	40,601	26,110	14,491	55.5%
Total revenues	<u>53,603,207</u>	<u>55,435,199</u>	<u>(1,831,992)</u>	-3.3%
<b>Expenses</b>				
General government	4,417,356	2,817,712	1,599,644	56.8%
Public safety	6,077,263	5,943,585	133,678	2.2%
Public works	7,794,915	7,132,309	662,606	9.3%
Community services	1,457,177	1,297,461	159,716	12.3%
Education	31,680,134	34,227,576	(2,547,442)	-7.4%
Interest expense	165,635	262,349	(96,714)	-36.9%
Total expenses	<u>51,592,480</u>	<u>51,680,992</u>	<u>(88,512)</u>	-0.2%
Change in net position	<u>\$ 2,010,727</u>	<u>\$ 3,754,207</u>	<u>\$ (1,743,480)</u>	-46.4%

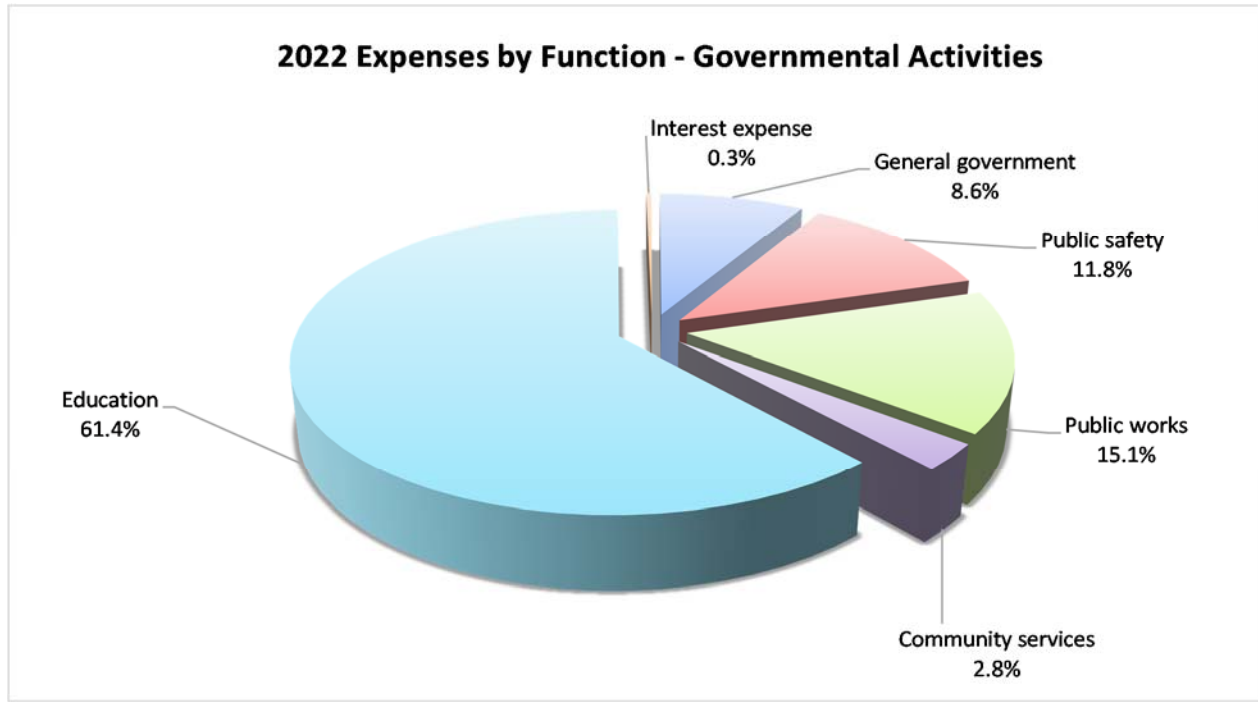


**TOWN OF EAST WINDSOR, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Changes in Net Position *(Continued)***



***Governmental Activities***

The Town's net position increased by \$2,010,727. Total revenues decreased by \$1,831,992 or 3.3% over the prior year. Total expenses decreased by \$88,512 or 0.2% over the prior year. Significant variances over prior year consisted of the following:

- A decrease in operating grants and contributions of \$2,706,829 or 16.7% due to the following:
  - a decrease of approximately \$4.9 million in on-behalf pension and other post-employment benefit contributions related to the Town's participation in the Connecticut Teachers' Retirement System. Although the Town is not liable for pension and other post-employment benefits provided by the Connecticut Teachers' Retirement System, the Town recognizes both revenues and expenses for the full pension and other post-employment benefit expenses that have been attributed to employees of the Town's School District.
  - an increase of approximately \$681 thousand in grants recognized to fund educational programs and school cafeteria operations.
  - an increase of approximately \$1.1 million in grants recognized from the American Rescue Plan Act (ARPA) used by the Town to provide small business and nonprofit grants to entities negatively impacted by the pandemic.
- An increase of \$1,046,068 or 3.1% in property taxes levied to fund budgeted increases in government-wide services.
- An increase of \$1,599,644 or 56.8% in general government expenses driven by the small business and nonprofit grant program funded by ARPA grants.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

***Governmental Activities (Continued)***

- An increase in pension expense allocated to various functions in the amount of \$956,401. The increase in pension expense is primarily driven by the amortization of investment losses on plan assets experienced during the year ended June 30, 2022.
  
- An decrease in education expenses of \$2,547,442 or 7.4%. This decrease was due to the following:
  - a decrease in the amount of pension and other post-employment benefit expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System, as previously discussed.
  - an increase in contractual and other operating costs.

**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 \$20,063,476, an increase of \$1,424,661 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 \$9,245,406. Unassigned fund balance is sufficient to cover 2.6 months of and represents 21.6% of the Town's fiscal year 2023 General Fund budgetary expenditure appropriations.

***Capital and Nonrecurring Fund***

The fund balance in the Capital and Nonrecurring Fund increased by \$1,029,977 to \$3,843,660. The increase was due to transfers in of \$2,865,000 to fund authorized capital purposes, offset by current year capital outlays.

***Capital Projects Fund***

The fund balance in the Capital Projects Fund increased to \$651,145 from interest income of \$415.

***Town Grant Fund***

The fund balance in the Town Grant Fund increased by \$33,710 to \$51,876. This fund primarily accounts for cost reimbursement grants and revenues are typically recognized to the extent of expenditures incurred. Significant current year activity consisted of approximately \$1.1 million in grants recognized from the American Rescue Plan Act used by the Town to provide small business and nonprofit grants to entities negatively impacted by the pandemic.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget contemplated the use of fund balance of \$750,000 in order to balance the budget. Additional appropriations of \$530,000 were authorized during the year, resulting in a planned use of fund balance \$1,280,000. The actual change in fund balance on a budgetary basis was an increase of \$400,262 resulting in a favorable budgetary variance of \$1,680,262. Revenues and other financing sources exceeded budgetary estimates by \$797,847, while expenditures and transfers out were less than budgetary estimates by \$882,415.

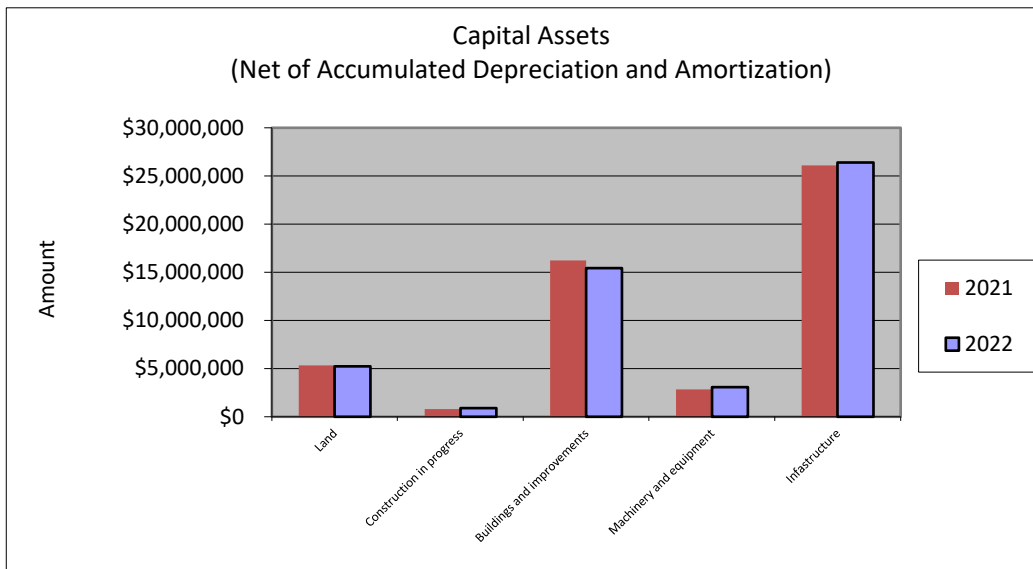
**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's capital assets for its governmental activities as of June 30, 2022 totaled \$50,969,223 (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 \$291,058 during the year.

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

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 5,229,174	\$ 5,320,884	\$ (91,710)	-1.7%
Construction in progress	877,074	774,205	102,869	13.3%
Buildings and improvements	15,419,459	16,218,600	(799,141)	-4.9%
Machinery and equipment	3,058,201	2,846,790	211,411	7.4%
Infrastructure	26,385,315	26,099,802	285,513	1.1%
Totals	<u>\$ 50,969,223</u>	<u>\$ 51,260,281</u>	<u>\$ (291,058)</u>	-0.6%





**TOWN OF EAST WINDSOR, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

**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**

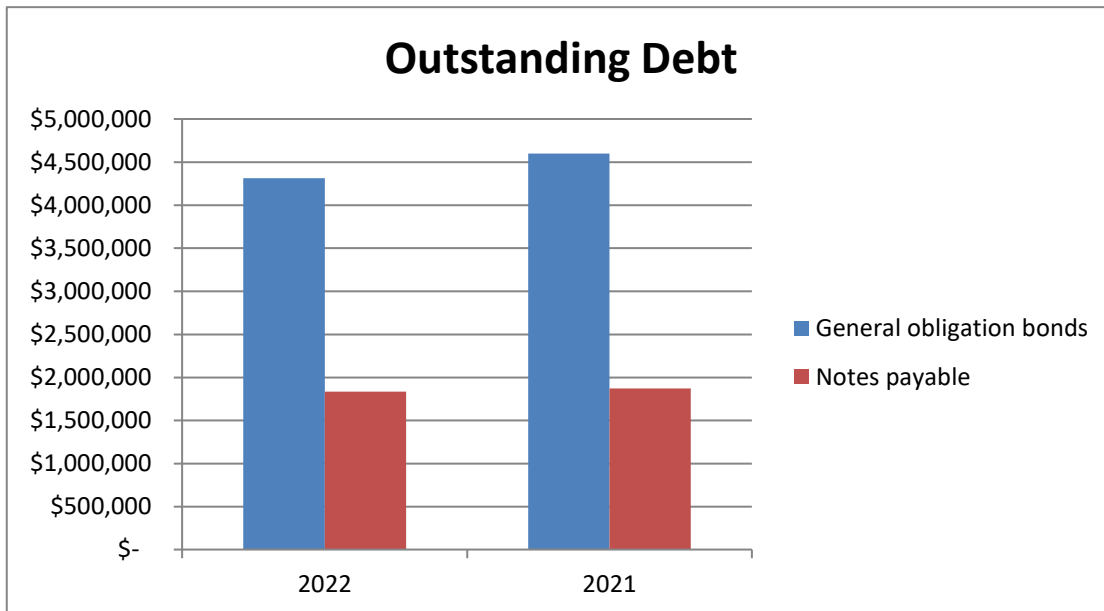
At the end of the current fiscal year, the Town had long-term bonded debt outstanding of \$4,315,000 and notes payable of \$1,833,125, all of which is backed by the full faith and credit of the government.

The Town's total debt decreased by \$324,073 or 5.0% during the current fiscal year. This decrease is due to 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:

	<u>2022</u>	<u>2021</u>	<u>\$ Variance</u>	<u>% Variance</u>
General obligation bonds	\$ 4,315,000	\$ 4,600,000	\$ (285,000)	-6.2%
Notes payable	1,833,125	1,872,198	(39,073)	-2.1%
Totals	<u>\$ 6,148,125</u>	<u>\$ 6,472,198</u>	<u>\$ (324,073)</u>	-5.0%



Additional information on the Town's long-term debt can be found in Note 8 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, 2022

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**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 2023, 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 demonstrated 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 2023. The Town's fiscal year 2023 budget for the General Fund authorizes expenditure appropriations of \$42,860,967. The Town has assigned \$750,000 of its General Fund fund balance for spending in the 2023 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 Finance Director/Treasurer, Town of East Windsor, 11 Rye Street, Broad Brook, Connecticut 06016.

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## BASIC FINANCIAL STATEMENTS

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**TOWN OF EAST WINDSOR, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 23,680,422
Investments	354,668
Receivables:	
Property taxes and interest, net	1,191,341
User charges	134,555
Grants and contracts	322,314
Lease	100,804
Other	124,680
Other assets	7,627
Assessments	106,865
Capital assets:	
Non-depreciable	6,106,249
Depreciable, net	44,862,974
Total assets	76,992,499
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	3,502,881
OPEB related	377,348
Total deferred outflows of resources	3,880,229
<b>LIABILITIES</b>	
Accounts payable	1,576,441
Accrued liabilities	581,978
Deposits payable	579,361
Unearned revenue	1,729,144
Noncurrent liabilities:	
Due within one year	887,804
Due in more than one year	16,710,537
Total liabilities	22,065,265
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Lease related	100,804
Pension related	53,072
OPEB related	1,996,744
Total deferred inflows of resources	2,150,620
<b>NET POSITION</b>	
Net investment in capital assets	45,258,511
Restricted for:	
Educational scholarships	435,903
Housing rehabilitation loan program	39,115
Other programs	353,135
Unrestricted	10,570,179
Total net position	\$ 56,656,843

*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, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position - Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 4,417,356	\$ 1,227,744	\$ 1,256,138	\$ -	\$ (1,933,474)
Public safety	6,077,263	340,470	60,056	-	(5,676,737)
Public works	7,794,915	2,616,662	551,296	-	(4,626,957)
Community services	1,457,177	120,078	571,547	-	(765,552)
Education	31,680,134	358,807	11,054,612	-	(20,266,715)
Interest expense	165,635	-	-	-	(165,635)
Total governmental activities	<u>\$ 51,592,480</u>	<u>\$ 4,663,761</u>	<u>\$ 13,493,649</u>	<u>\$ -</u>	<u>(33,435,070)</u>
General revenues:					
Property taxes, levied for general purposes					34,815,869
Grants and contributions not restricted to specific programs					589,327
Unrestricted investment earnings					40,601
Total general revenues					<u>35,445,797</u>
					Change in net position 2,010,727
					Net position - beginning 54,646,116
					<u>\$ 56,656,843</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, 2022

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Town Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 14,504,899	\$ 3,928,972	\$ 651,145	\$ 621,303	\$ 3,974,103	\$ 23,680,422
Investments	-	-	-	-	354,668	354,668
Receivables:						
Property taxes and interest, net	1,191,341	-	-	-	-	1,191,341
Assessments and user charges	-	-	-	-	241,420	241,420
Grants and contracts	-	-	-	30,238	292,076	322,314
Lease	100,804	-	-	-	-	100,804
Other	24,727	-	-	-	99,953	124,680
Due from other funds	329,980	-	-	614,651	1,178,411	2,123,042
Other	2,778	-	-	-	4,849	7,627
Total assets	<u>\$ 16,154,529</u>	<u>\$ 3,928,972</u>	<u>\$ 651,145</u>	<u>\$ 1,266,192</u>	<u>\$ 6,145,480</u>	<u>\$ 28,146,318</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,043,526	\$ 14,766	\$ -	\$ -	\$ 518,149	\$ 1,576,441
Salaries and benefits payable	451,954	-	-	-	86,127	538,081
Due to other funds	1,793,062	70,546	-	-	259,434	2,123,042
Deposits payable	579,361	-	-	-	-	579,361
Unearned revenue	-	-	-	1,214,316	514,828	1,729,144
Total liabilities	<u>3,867,903</u>	<u>85,312</u>	<u>-</u>	<u>1,214,316</u>	<u>1,378,538</u>	<u>6,546,069</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	1,194,549	-	-	-	241,420	1,435,969
Lease related	100,804	-	-	-	-	100,804
Total deferred inflows of resources	<u>1,295,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,420</u>	<u>1,536,773</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepays and inventories	2,778	-	-	-	4,211	6,989
Restricted	-	-	493,108	51,876	828,153	1,373,137
Committed for:						
Capital purposes	-	3,843,660	158,037	-	93,855	4,095,552
Other purposes	993,089	-	-	-	3,599,303	4,592,392
Assigned	750,000	-	-	-	-	750,000
Unassigned	9,245,406	-	-	-	-	9,245,406
Total fund balances	<u>10,991,273</u>	<u>3,843,660</u>	<u>651,145</u>	<u>51,876</u>	<u>4,525,522</u>	<u>20,063,476</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,154,529</u>	<u>\$ 3,928,972</u>	<u>\$ 651,145</u>	<u>\$ 1,266,192</u>	<u>\$ 6,145,480</u>	<u>\$ 28,146,318</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, 2022**

Total fund balances for governmental funds	\$	20,063,476
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.		50,969,223
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.		1,435,969
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	\$ (4,315,000)	
Unamortized bond premiums	(55,695)	
Notes	(1,833,125)	
Accrued interest	(43,897)	
Other long-term liabilities:		
Net pension liability	(9,041,352)	
Net OPEB liability	(866,614)	
Heart and hypertension	(156,269)	
Compensated absences	<u>(1,330,286)</u>	
		(17,642,238)
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.		<u>1,830,413</u>
Net position of governmental activities	\$	<u><u>56,656,843</u></u>

*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, 2022**

	<b>General Fund</b>	<b>Capital and Nonrecurring Fund</b>	<b>Capital Projects Fund</b>	<b>Town Grant Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Property taxes	\$ 34,543,045	\$ -	\$ -	\$ -	\$ 963,513	\$ 35,506,558
Intergovernmental	10,255,387	-	-	1,252,915	3,838,191	15,346,493
Charges for goods and services	994,766	-	-	-	2,970,553	3,965,319
Investment earnings	32,380	10,315	415	1,585	(4,095)	40,600
Other	-	16,000	-	-	69,980	85,980
Total revenues	<u>45,825,578</u>	<u>26,315</u>	<u>415</u>	<u>1,254,500</u>	<u>7,838,142</u>	<u>54,944,950</u>
<b>EXPENDITURES</b>						
Current:						
General government	2,104,186	-	-	1,163,391	1,963	3,269,540
Public safety	3,879,342	-	-	37,244	1,025,120	4,941,706
Public works	3,690,494	-	-	10,260	1,965,765	5,666,519
Community services	987,705	-	-	9,895	694,909	1,692,509
Employee benefits	3,013,532	-	-	-	-	3,013,532
Education	28,926,096	-	-	-	3,483,061	32,409,157
Capital outlays	-	1,861,338	-	-	192,044	2,053,382
Debt service	473,944	-	-	-	-	473,944
Total expenditures	<u>43,075,299</u>	<u>1,861,338</u>	<u>-</u>	<u>1,220,790</u>	<u>7,362,862</u>	<u>53,520,289</u>
Excess (deficiency) of revenues over expenditures	2,750,279	(1,835,023)	415	33,710	475,280	1,424,661
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	5,908	2,865,000	-	-	322,272	3,193,180
Transfers out	(2,733,070)	-	-	-	(460,110)	(3,193,180)
Total other financing sources (uses)	<u>(2,727,162)</u>	<u>2,865,000</u>	<u>-</u>	<u>-</u>	<u>(137,838)</u>	<u>-</u>
Net change in fund balances	23,117	1,029,977	415	33,710	337,442	1,424,661
Fund balances - beginning	<u>10,968,156</u>	<u>2,813,683</u>	<u>650,730</u>	<u>18,166</u>	<u>4,188,080</u>	<u>18,638,815</u>
Fund balances - ending	<u>\$ 10,991,273</u>	<u>\$ 3,843,660</u>	<u>\$ 651,145</u>	<u>\$ 51,876</u>	<u>\$ 4,525,522</u>	<u>\$ 20,063,476</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, 2022

Net change in fund balances - total governmental funds	\$	1,424,661
Total change in net position reported for governmental activities in the statement of activities is different because:		
<p>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:</p>		
Expenditures for capital assets	\$	2,348,220
Depreciation and amortization expense		<u>(2,639,278)</u>
Net adjustment		(291,058)
<p>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.</p>		
		279,212
<p>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:</p>		
Principal repayments:		
Bonds		285,000
Notes		39,073
Amortization of bond premiums		<u>7,660</u>
		331,733
<p>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:</p>		
Compensated absences		16,350
Accrued interest		(23,424)
Heart and hypertension		117,868
Net pension liability		(6,467,380)
Net OPEB liability		<u>(268,392)</u>
		(6,624,978)
<p>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.</p>		
		<u>6,891,157</u>
Change in net position of governmental activities	\$	<u><u>2,010,727</u></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, 2022**

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	<b>Pension and Other Post- Employment Benefits Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,273,650
Investments:	
Mutual funds	32,366,875
Fixed income securities	125,395
	32,492,270
Total assets	33,765,920
<b>LIABILITIES</b>	
Payables	31,552
Total liabilities	31,552
<b>NET POSITION</b>	
Restricted for:	
Pension benefits	32,139,446
Other Post-employment benefits	1,594,922
	\$ 33,734,368

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Pension and Other Post- Employment Benefits Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 1,516,969
Plan members	397,257
Total contributions	1,914,226
Investment earnings:	
Interest and dividends	517,198
Net change in the fair value of investments, net of fees	(5,247,205)
Net investment earnings	(4,730,007)
Total additions	(2,815,781)
<b>DEDUCTIONS</b>	
Benefit payments	1,935,746
Administrative expenses	57,928
Total deductions	1,993,674
Change in net position	(4,809,455)
Net position - beginning	38,543,823
Net position - ending	\$ 33,734,368

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**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 2020. 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 Plan (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 Fire District) is responsible for the operations of the fire department within the boundaries of the Fire District, which is located within Town. The Fire District is governed by an independent Board of Commissioners. The Fire District is considered an overlapping government as the geographic area serviced by the Fire District is within the boundaries of the Town.

The Town is responsible for appointing members to the Board of Directors of the East Windsor Housing Authority (the Authority), but the Town's accountability for the Authority does not extend beyond making the appointments. During the year ended June 30, 2022, the Town paid sewer charges of \$34,340 on-behalf of the Authority. The Town made no other appropriations for the operation of this agency for the fiscal year ended June 30, 2022.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

**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. Eliminations have been made to minimize the double-counting of internal activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

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.

*Town Grant Fund* - This fund is used to account for restricted grant proceeds and related expenditures.

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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

**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 recognition in the financial statements of various kinds of transactions or events.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). 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 either received or available to be received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when the cash is received.

**Implementation of Accounting Standards**

Effective July 1, 2021, the Town implemented the provisions of GASB Statement No. 87, *Leases* (Statement No. 87). This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

**Implementation of Accounting Standards *(Continued)***

The Town has reported the following adjustments in connection with the implementation of Statement No. 87:

	<u>Assets</u>	<u>Deferred Outflows of Resources</u>	<u>Liabilities</u>	<u>Deferred Inflows of Resources</u>	<u>Net Position</u>
Beginning balances, as originally reported	\$ 75,927,521	\$ 1,898,919	\$ 16,220,661	\$ 6,959,663	\$ 54,646,116
Recognition of lease receivable and related deferred inflows of resources	<u>108,617</u>	<u>-</u>	<u>-</u>	<u>108,617</u>	<u>-</u>
Beginning balances, as adjusted	<u>\$ 76,036,138</u>	<u>\$ 1,898,919</u>	<u>\$ 16,220,661</u>	<u>\$ 7,068,280</u>	<u>\$ 54,646,116</u>

The implementation of Statement No. 87 had no cumulative effect on the beginning net position of the Town.

**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 with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

**Donor-restricted Funds**

The Town allocates investment income of donor-restricted funds in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending on the applicable donor's stipulations regarding the treatment of investment income and appreciation.

**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 expenses/expenditures when consumed rather than when purchased.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

**Property Taxes, Sewer Assessment and Usage Charges**

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 \$158,000 as of June 30, 2022.

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 \$24,817 as of June 30, 2022.

**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. As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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. Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized 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



**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

**Leases (as Lessor)**

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

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

**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 assets that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time.

Deferred outflows and inflows of resources consists of deferred pension and OPEB expenses reported in the government-wide statement of net position. Deferred 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 expenses on a systematic and rational basis.

Deferred inflows of resources also include unavailable revenues from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Long-term Obligations**

***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 assets.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

***Long-term Obligations (Continued)***

***Long-term Debt (Continued)***

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

In the governmental fund financial statements, debt premiums and discounts are recognized 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.

***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.

***Net Position***

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of the following three components:

*Net investment in capital assets* - This component of net position 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 those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

*Restricted net position* - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

*Unrestricted net position* - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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

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

**Net Position *(Continued)***

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

**Fund Balance**

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.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. In accordance with the Town's policy, the Town uses restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Interfund Activity**

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**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 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town's cash and cash equivalents as of June 30, 2022 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 23,680,422
Add: investments considered cash deposits for disclosure purposes	77,085
Less: cash equivalents considered investments for disclosure purposes	<u>(12,217,337)</u>
	<u>11,540,170</u>
Statement of fiduciary net position:	
Cash and cash equivalents	1,273,650
Less: cash equivalents considered investments for disclosure purposes	<u>(1,273,650)</u>
	<u>-</u>
	<u>\$ 11,540,170</u>

**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, 2022, \$11,224,433 of the Town's bank balance of \$12,474,433 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 10,101,990
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>1,122,443</u>
	<u>\$ 11,224,433</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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments**

A reconciliation of the Town's investments as of June 30, 2022 is as follows:

Government-wide statement of net position:		
Investments	\$	354,668
Less: investments considered cash equivalents for disclosure purposes		(77,085)
Add: cash equivalents considered investments for disclosure purposes		<u>12,217,337</u>
		<u>12,494,920</u>
Statement of fiduciary net position:		
Investments		32,492,270
Add: cash equivalents considered investments for disclosure purposes		<u>1,273,650</u>
		<u>33,765,920</u>
	\$	<u><u>46,260,840</u></u>

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town limits its exposure to fair value losses arising from changes in interest rates by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. 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. Information about the exposure of the Town's investments to this risk using the segmented time distribution model is as follows:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)	
			Less Than 1	1 to 5
<b>Debt Securities:</b>				
<i>Governmental Activities:</i>				
Short Term Investment Fund (STIF)	Amortized cost	\$ 12,217,337	\$ 12,217,337	\$ -
<i>Fiduciary Funds:</i>				
Money market mutual funds	Amortized cost	1,273,650	1,273,650	-
Fixed income securities	Fair value	<u>125,395</u>	<u>125,395</u>	-
		13,616,382	<u><u>\$ 13,616,382</u></u>	<u><u>\$ -</u></u>
<b>Other investments:</b>				
<i>Governmental Activities:</i>				
Mutual funds	Fair value	277,584		
<i>Fiduciary Funds:</i>				
Mutual funds	Fair value	<u>32,366,874</u>		
		<u><u>\$ 46,260,840</u></u>		

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments *(Continued)***

**Interest Rate Risk *(Continued)***

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.

**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.

The Town's investment in debt securities were rated by Standard & Poor's as follows at June 30, 2022:

<u>Investment type</u>	<u>Value</u>	<u>AAA</u>	<u>A</u>	<u>Unrated</u>
<b>Debt Securities:</b>				
STIF	\$ 12,217,337	\$ 12,217,337	\$ -	\$ -
Money market mutual funds	1,273,650	-	-	1,273,650
Fixed income securities	125,395	-	125,395	-
	<u>\$ 13,616,382</u>	<u>\$ 12,217,337</u>	<u>\$ 125,395</u>	<u>\$ 1,273,650</u>

**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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments *(Continued)***

**Concentrations of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. The Town places no limit on the amount of investment in any one issuer. As of June 30, 2022, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported for the Town's governmental activities or fiduciary funds.

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2022, by level within the fair value hierarchy are presented in the table below:

<b>Financial Assets Measured at Fair Value</b>	<b>Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Mutual funds	\$ 32,644,458	\$ -	\$ -	\$ 32,644,458
Fixed income securities	-	125,395	-	125,395
	<u>\$ 32,644,458</u>	<u>\$ 125,395</u>	<u>\$ -</u>	32,769,853
		Investments measured at a mortgized cost		13,490,987
				<u>\$ 46,260,840</u>

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 4 - LEASE RECEIVABLES**

**Leases (as Lessor)**

The Town is a lessor for a noncancellable lease of property through January 31, 2031. The Town recognized \$13,605 in lease related revenue during the current fiscal year. As of June 30, 2022, the Town's receivable for lease payments was \$100,804. In addition the Town has recognized a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 consisted of the following.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 5,320,884	\$ -	\$ (91,710)	\$ -	\$ 5,229,174
Construction in progress	<u>774,205</u>	<u>549,948</u>	<u>-</u>	<u>(447,079)</u>	<u>877,074</u>
Total capital assets, not being depreciated	<u>6,095,089</u>	<u>549,948</u>	<u>(91,710)</u>	<u>(447,079)</u>	<u>6,106,248</u>
Capital assets, being depreciated:					
Buildings and improvements	39,446,456	59,661	-	650	39,506,767
Machinery and equipment	10,935,499	800,661	(65,280)	2,790	11,673,670
Infrastructure	<u>52,256,924</u>	<u>1,029,660</u>	<u>-</u>	<u>443,639</u>	<u>53,730,223</u>
Total capital assets, being depreciated	<u>102,638,879</u>	<u>1,889,982</u>	<u>(65,280)</u>	<u>447,079</u>	<u>104,910,660</u>
Less accumulated depreciation:					
Buildings and improvements	23,227,856	859,452	-	-	24,087,308
Machinery and equipment	8,088,709	592,040	(65,280)	-	8,615,469
Infrastructure	<u>26,157,122</u>	<u>1,187,786</u>	<u>-</u>	<u>-</u>	<u>27,344,908</u>
Total accumulated depreciation	<u>57,473,687</u>	<u>2,639,278</u>	<u>(65,280)</u>	<u>-</u>	<u>60,047,685</u>
Total capital assets, being depreciated, net	<u>45,165,192</u>	<u>(749,296)</u>	<u>-</u>	<u>447,079</u>	<u>44,862,975</u>
Governmental activities capital assets, net	<u>\$ 51,260,281</u>	<u>\$ (199,348)</u>	<u>\$ (91,710)</u>	<u>\$ -</u>	<u>\$ 50,969,223</u>

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

Governmental Activities:	
Public safety	\$ 277,001
Public works	1,674,135
Community services	60,588
Education	<u>627,554</u>
Total depreciation and amortization expense	<u>\$ 2,639,278</u>

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2022 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Capital and Nonrecurring Fund	\$ 70,546
	Nonmajor Governmental Funds	<u>259,434</u>
		329,980
Town Grant Fund	General Fund	614,651
Nonmajor Governmental Funds	General Fund	<u>1,178,411</u>
		<u>\$ 2,123,042</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.



**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 7 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2022 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	Nonmajor Governmental Funds	\$ 5,908
Capital and Nonrecurring Fund	General Fund	2,865,000
Nonmajor Governmental Funds	General Fund	<u>322,272</u>
		<u>\$ 3,193,180</u>

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 - LONG-TERM LIABILITIES**

**Changes in Long-term Liabilities**

Changes in the Town's long-term liabilities for the year ended June 30, 2022, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 4,600,000	\$ -	\$ (285,000)	\$ 4,315,000	\$ 285,000
Unamortized premium	63,355	-	(7,660)	55,695	-
Total bonds payable	<u>4,663,355</u>	<u>-</u>	<u>(292,660)</u>	<u>4,370,695</u>	<u>285,000</u>
Notes payable	1,872,198	-	(39,073)	1,833,125	40,147
Compensated absences	1,346,636	24,107	(40,457)	1,330,286	562,657
Heart and hypertension obligations	274,137	-	(117,868)	156,269	-
Net pension liability <i>(see Note 9)</i>	2,573,972	6,467,380	-	9,041,352	-
Net OPEB liability <i>(see Note 11)</i>	598,222	268,392	-	866,614	-
	<u>\$ 11,328,520</u>	<u>\$ 6,759,879</u>	<u>\$ (490,058)</u>	<u>\$ 17,598,341</u>	<u>\$ 887,804</u>

Long-term liabilities are typically liquidated in the General Fund.

**General Obligation Bonds and Notes**

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes are uncollateralized, direct obligations and are pledged by the full faith and credit of the Town.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 8 - LONG-TERM LIABILITIES *(Continued)***

**General Obligation Bonds and Notes *(Continued)***

General obligation bonds and notes outstanding at June 30, 2022, are as follows:

<u>Purpose of Bonds</u>	<u>Fiscal Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Fiscal Maturity Date</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>					
Bonds payable:					
General Obligation Bonds	2016	\$ 5,740,000	2.0% - 3.0%	2037	<u>\$ 4,315,000</u>
Notes payable:					
Rural Development Loan	2012	2,180,000	2.375%	2052	<u>\$ 1,833,125</u>

**Legal Debt Limit**

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 statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2022.

**Authorized, Unissued Bonds**

As of June 30, 2022, the Town had no authorized, unissued debt.

**Long-term Debt Service Requirements**

Year ending June 30:	<u>Governmental Activities</u>			
	<u>Bonds Payable</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 285,000	\$ 89,720	\$ 40,147	\$ 50,411
2024	285,000	82,595	41,251	49,307
2025	285,000	76,895	42,385	48,173
2026	285,000	71,195	43,551	47,007
2027	285,000	65,495	44,749	45,809
2028-2032	1,425,000	241,761	242,894	209,896
2033-2037	1,465,000	86,792	278,180	174,610
2038-2042	-	-	318,590	134,200
2043-2047	-	-	364,873	87,917
2048-2052	-	-	416,505	34,910
	<u>\$ 4,315,000</u>	<u>\$ 714,453</u>	<u>\$ 1,833,125</u>	<u>\$ 882,240</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 8 - LONG-TERM LIABILITIES *(Continued)***

**Heart and Hypertension Obligations**

The Town's estimated liability for heart and hypertension obligations as of June 30, 2022 totaled \$156,269. 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, 2022 will change in the near term.

**NOTE 9 - PENSION PLANS**

The Town accounts for activity relating to two defined benefit pension plans, (1) the Town of East Windsor Employees' Pension Plan (the Town Plan), and 2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2022, the plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On-Behalf Revenues</u>	<u>Pension Expense</u>
<b>Governmental Activities</b>					
Town Employees' Pension Plan	\$ 9,041,352	\$ 3,502,881	\$ 53,072	\$ -	\$ 1,674,931
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	2,456,324	2,456,324
	<u>\$ 9,041,352</u>	<u>\$ 3,502,881</u>	<u>\$ 53,072</u>	<u>\$ 2,456,324</u>	<u>\$ 4,131,255</u>

Detailed disclosures for each plan follow.

**Town Employees' Pension 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, 2022 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, police dispatch employees hired after July 1, 2007 and clerical employees hired after January 1, 2018. 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, which are 100% vested after ten years of service. Benefits and contributions are established and may be amended by the Town.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 9 - PENSION PLANS *(Continued)***

**Town Employees' Pension Plan *(Continued)***

**Plan Membership**

Membership of the Plan consisted of the following as of July 1, 2021, the date of the most recent actuarial valuation:

Retirees and beneficiaries currently receiving benefits	108
Vested terminated employees	168
Active employees	176
	<u>452</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 7.5% of covered payroll.

**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, 2022 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -12.10%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 9 - PENSION PLANS *(Continued)***

**Town Employees' Pension Plan *(Continued)***

**Summary of Significant Accounting Policies *(Continued)***

*Investment concentrations* - As of June 30, 2022, more than 5.0% of the Plan's investments were invested in certain mutual funds. Disclosure of concentrations in mutual funds are not required as these investments are considered diversified by nature.

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

**Net Pension Liability**

The components of the net pension liability of the Town at June 30, 2022, were as follows:

Total pension liability	\$	41,180,798
Plan fiduciary net position		<u>(32,139,446)</u>
Town's net pension liability		<u>\$ 9,041,352</u>

Plan fiduciary net position as a percentage of the total pension liability	78.04%
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The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2022 were as follows:

	Increase (Decrease)		
Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	
Balance as of June 30, 2021	\$ 39,302,723	\$ 36,728,751	\$ 2,573,972
<b>Changes for the year:</b>			
Service cost	1,062,654	-	1,062,654
Interest	2,463,323	-	2,463,323
Actuarial (gains) losses	287,844	-	287,844
Contributions - employer	-	1,496,613	(1,496,613)
Contributions - employee	-	397,257	(397,257)
Net investment income	-	(4,515,651)	4,515,651
Benefit payments, including refunds	(1,935,746)	(1,935,746)	-
Administrative expense	-	(31,778)	31,778
<b>Net changes</b>	<u>1,878,075</u>	<u>(4,589,305)</u>	<u>6,467,380</u>
Balance as of June 30, 2022	<u>\$ 41,180,798</u>	<u>\$ 32,139,446</u>	<u>\$ 9,041,352</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 9 - PENSION PLANS *(Continued)***

**Town Employees' Pension Plan *(Continued)***

**Net Pension Liability *(Continued)***

*Actuarial assumptions* - The total pension liability was determined by an actuarial valuation as of July 1, 2021, 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	6.25 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Mortality Table with generational projection per the MP-2019 Ultimate Scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension 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>
Equities	60.00%	6.68%
Fixed Income	40.00%	5.07%

*Discount rate* - The discount rate used to measure the total pension liability was 6.25%. 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 6.25%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Net pension liability	\$ 13,949,991	\$ 9,041,352	\$ 4,899,280

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 9 - PENSION PLANS *(Continued)***

**Town Employees' Pension Plan *(Continued)***

**Pension Expense and Deferred Outflows and Inflows of Resources**

Pension expense for the year ended June 30, 2022 totaled \$1,674,931. At June 30, 2022, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferrals</b>
Differences between expected and actual experience	\$ 362,146	\$ (53,072)	\$ 309,074
Changes of assumptions	748,966	-	748,966
Net difference between projected and actual earnings on pension plan investments	2,391,769	-	2,391,769
Total	\$ 3,502,881	\$ (53,072)	\$ 3,449,809

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

Year ended June 30,	
2023	\$ 823,339
2024	733,576
2025	520,395
2026	1,372,499
	\$ 3,449,809

**Payable to the Pension Plan**

At June 30, 2022, the Town did not report a payable for any contributions outstanding to the pension plan.

**Connecticut Teachers' Retirement System**

**Plan Description**

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 9 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Benefit Provisions**

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

*Normal Retirement:* Retirement benefits for the employees are calculated as 2.0% 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% 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 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. 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 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% 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**

*State of Connecticut* - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB 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.

*Employers* - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

*Employees* - Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.



**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 9 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Administrative Expenses**

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

**Basis of Presentation**

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021. The net pension liability at June 30, 2021 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Allocation Methodology**

The allocations for participating employers are based on the 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. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.255% as of the most recent measurement date.

**Collective Net Pension Liability**

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2021, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 14,926,263,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.255%	<u>\$ 38,052,000</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 9 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Collective Pension Expense**

The Town's expected contribution effort for allocation purposes totaled \$3,186,221 or 0.255% 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 in the General Fund for the year ended June 30, 2022.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$2,456,324 or 0.255% of the total collective pension expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2022.

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

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

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3.0% and a maximum of 5.0% 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 6.0% 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 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, 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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 9 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Long-Term Rate of Return *(Continued)***

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	<u>100.0%</u>	

**Discount Rate**

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

**NOTE 10 - OTHER RETIREMENT PLANS**

The Town offers eligible employees participation in a deferred compensation plan and a defined contribution plan. All amounts contributed to the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. In addition, the Town has no liability for losses under the plans. Therefore, the plans are not reported in the basic financial statements of the Town.

***Deferred Compensation Plan*** - The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

***Defined Contribution Plan*** - The Town offers a defined contribution plan to employees that are participants in a hybrid plan or ineligible to participate in the Town's Defined Benefit Pension Plan. Plan provisions are established by and may be amended by the Board of Selectman. Under the Plan, participants are required to make contributions between 2% and 5% of their annual compensation and the Town is required to make contributions between 3% and 5% of their annual compensation. Contributions made by the Town for the year ended June 30, 2022 totaled \$98,231, which is net of plan forfeitures.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Town of East Windsor Employees' Other Post-Employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2022, the two plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On-Behalf Revenues</u>	<u>OPEB Expense</u>
<b>Governmental Activities</b>					
Town and Board of Education	\$ 866,614	\$ 377,348	\$ 1,996,744	\$ -	\$ (131,711)
Other Post-employment Benefit Plan					
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	(153,086)	(153,086)
	<u>\$ 866,614</u>	<u>\$ 377,348</u>	<u>\$ 1,996,744</u>	<u>\$ (153,086)</u>	<u>\$ (284,797)</u>

Detailed disclosures for each plan follow.

**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 who retire with at least 20 years of service are eligible for coverage to the extent the retiree is not eligible to receive health insurance benefits from another employer and those benefits are either substantially equivalent or better than those currently in effect. Dispatchers hired before June 30, 2018 and who retire with at least 20 years of service are eligible for coverage. Police and dispatchers contribute 25% or 50% of their premiums and 50% or 75% of premiums for eligible family members based on years of experience.

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

**Plan Membership**

Membership of the Plan consisted of the following as of July 1, 2021, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	18
Active employees	<u>292</u>
	<u>310</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town and Board of Education Plan *(Continued)***

**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 \$179,419 for the year ended June 30, 2022 and included \$20,356 contributed directly into the Trust.

**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, 2022 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 24.62%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

*Investment concentrations* - As of June 30, 2022, more than 5.0% of the OPEB Plan's investments were invested certain mutual funds. Disclosure of concentrations in mutual funds are not required as these investments are considered diversified by nature.

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

**Net OPEB Liability**

The components of the Town's net OPEB liability related to its OPEB Plan as of June 30, 2022, was as follows:

Total OPEB liability	\$ 2,461,536
Plan fiduciary net position	<u>(1,594,922)</u>
Town's net OPEB liability	<u>\$ 866,614</u>
Plan fiduciary net position as a percentage of the total OPEB liability	64.79%

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

***Town and Board of Education Plan (Continued)***

**Net OPEB Liability *(Continued)***

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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Investment rate of return	6.25 percent, net of pension plan investment expense, including inflation
Healthcare cost trend rates	5.30 - 4.10 percent, over 54 years

Mortality rates were based on the Pub-2010 mortality tables with general projection of future improvements per the MP-2019 Ultimate Table.

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, 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Equities	60.00%	5.72%
Fixed Income	40.00%	3.48%

**Changes in Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balance as of June 30, 2021	\$ 2,413,296	\$ 1,815,074	\$ 598,222
<b>Changes for the year:</b>			
Service cost	57,757	-	57,757
Interest	149,546	-	149,546
Contributions - employer	-	179,419	(179,419)
Net investment income	-	(214,358)	214,358
Benefit payments, including refunds	(159,063)	(159,063)	-
Administrative expense	-	(26,150)	26,150
<b>Net changes</b>	<b>48,240</b>	<b>(220,152)</b>	<b>268,392</b>
Balance as of June 30, 2022	\$ 2,461,536	\$ 1,594,922	\$ 866,614

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

***Town and Board of Education Plan (Continued)***

**Changes in Net OPEB Liability *(Continued)***

*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:

	<u>1% Decrease</u>		<u>Current Discount</u>		<u>1% Increase</u>
Net OPEB liability	\$ 1,106,092	\$	866,614	\$	652,547

*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:

	<u>1% Decrease</u>		<u>Current Trend Rate</u>		<u>1% Increase</u>
Net OPEB liability	\$ 577,599	\$	866,614	\$	1,205,215

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2022, the Town recognized an OPEB benefit of \$131,711. As of June 30, 2022, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Differences between expected and actual experience	\$ 261,045	\$ (1,689,529)	\$ (1,428,484)
Changes of assumptions	-	(307,215)	(307,215)
Net difference between projected and actual earnings on pension plan investments	116,303	-	116,303
Total	<u>\$ 377,348</u>	<u>\$ (1,996,744)</u>	<u>\$ (1,619,396)</u>

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

Year ended June 30,	
2023	\$ (248,379)
2024	(305,551)
2025	(322,134)
2026	(271,312)
2027	(337,160)
Thereafter	<u>(134,860)</u>
	<u>\$ (1,619,396)</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System**

**Plan Description**

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

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

**Benefit Provisions**

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue 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.



**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Contributions**

*State of Connecticut* - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

*Employers* - School District employers are not required to make contributions to the Plan.

*Employees/Retirees* - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**Administrative Expenses**

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

**Basis of Presentation**

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021. The net pension liability at June 30, 2021 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Allocation Methodology**

The allocations for participating employers are based on the 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. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the Town totaled 0.255% as of the most recent measurement date.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Collective Net OPEB Liability**

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2021, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 1,626,189,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.255%	<u>\$ 4,146,000</u>

**Collective OPEB Expense**

The Town's expected contribution effort for allocation purposes totaled \$74,798 or 0.255% 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 in the General Fund for the year ended June 30, 2022.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the negative collective OPEB expense attributed to the Town totaled \$(153,086) or 0.255% of the total collective OPEB expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2022.

**Actuarial Assumptions**

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2023

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

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected 10-Year Geometric Real Rate of Return</b>	<b>Standard Deviation</b>
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2021 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 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 12 - FUND BALANCE**

**Fund Balance Policy**

It is the Town's policy to maintain a fund balance in the General Fund between 10% and 20% 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. As of June 30, 2022, unassigned fund balance in the General Fund represented 22.1% of the Town's approved budgeted operating revenues for the fiscal year 2022-2023 General Fund budget.

The various components of fund balance as of June 30, 2022 are as follows:

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Town Grant Fund	Other Funds	Total
Nonspendable - prepaids and inventories	\$ 2,778	\$ -	\$ -	\$ -	\$ 4,211	\$ 6,989
Restricted for:						
Small Cities grant program	-	-	-	-	39,115	39,115
Town programs	-	-	-	51,876	224,204	276,080
Maintenance of cemeteries	-	-	-	-	5,233	5,233
Student activities and scholarships	-	-	-	-	559,601	559,601
Roads and dams	-	-	493,108	-	-	493,108
	-	-	493,108	51,876	828,153	1,373,137
Committed for:						
Capital purposes	-	3,843,660	158,037	-	93,855	4,095,552
Other purposes:						
Heart & hypertension claims	350,727	-	-	-	-	350,727
Storm emergencies	163,982	-	-	-	-	163,982
BOE Nonlapsing	478,380	-	-	-	-	478,380
Parks and recreation programs	-	-	-	-	95,048	95,048
Police	-	-	-	-	73,389	73,389
Sewer operations	-	-	-	-	1,977,417	1,977,417
Assessments - debt service	-	-	-	-	920,677	920,677
School cafeteria	-	-	-	-	230,313	230,313
Family resource center	-	-	-	-	55,075	55,075
Youth services	-	-	-	-	82,866	82,866
Broad Brook Fire Department	-	-	-	-	99,237	99,237
Other purposes	-	-	-	-	65,281	65,281
	993,089	-	-	-	3,599,303	4,592,392
Assigned to:						
Use in fiscal year 2023 budget	750,000	-	-	-	-	750,000
Unassigned	9,245,406	-	-	-	-	9,245,406
	<u>\$ 10,991,273</u>	<u>\$ 3,843,660</u>	<u>\$ 651,145</u>	<u>\$ 51,876</u>	<u>\$ 4,525,522</u>	<u>\$ 20,063,476</u>

**NOTE 13 - 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, 2022 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.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 13 - 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 12 - COMMITMENTS AND CONTINGENCIES**

**Federal Awards and State Financial Assistance**

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

**Litigation, Claims and Assessments**

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are 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 matters would not materially affect the financial position of the Town.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes	\$ 34,117,900	\$ 34,117,900	\$ 34,543,045	\$ 425,145
Intergovernmental	6,354,659	6,354,659	6,342,465	(12,194)
Local revenues	579,220	579,220	952,328	373,108
Revenues from use of money	25,000	25,000	32,380	7,380
Total revenues	<u>41,076,779</u>	<u>41,076,779</u>	<u>41,870,218</u>	<u>793,439</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,270,377	2,222,629	2,086,504	(136,125)
Public safety	4,012,299	3,909,507	3,879,342	(30,165)
Public works	3,702,954	3,749,896	3,690,494	(59,402)
Community services	1,012,290	1,049,297	987,705	(61,592)
Employee benefits	3,483,267	3,063,267	3,013,532	(49,735)
Contingency	104,756	24,847	-	(24,847)
Debt service	1,028,023	475,023	473,944	(1,079)
Total Town	<u>15,613,966</u>	<u>14,494,466</u>	<u>14,131,521</u>	<u>(362,945)</u>
Current:				
Education	25,130,075	25,130,075	24,611,273	(518,802)
Total expenditures	<u>40,744,041</u>	<u>39,624,541</u>	<u>38,742,794</u>	<u>(881,747)</u>
Excess of revenues over expenditures	332,738	1,452,238	3,127,424	1,675,186
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	750,000	1,280,000	-	(1,280,000)
Transfers in	-	1,500	5,908	4,408
Transfers out	(1,082,738)	(2,733,738)	(2,733,070)	668
Total other financing sources (uses)	<u>(332,738)</u>	<u>(1,452,238)</u>	<u>(2,727,162)</u>	<u>(1,274,924)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,262</u>	<u>\$ 400,262</u>

*See accompanying notes to required supplementary information.*

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>									
Service cost	\$ 1,064,000	\$ 797,000	\$ 1,049,000	\$ 875,000	\$ 901,000	\$ 801,000	\$ 778,000	\$ 668,000	\$ 667,000
Interest	2,463,000	2,373,000	2,289,000	2,112,000	2,019,000	1,916,000	1,817,000	1,681,000	1,602,000
Changes in benefit terms	(107,000)	122,000	-	-	-	-	-	-	-
Differences between expected and actual experience	394,000	(71,000)	(31,000)	319,000	270,000	(62,000)	561,000	-	-
Changes of assumptions	-	545,000	1,042,000	-	-	2,301,000	-	-	-
Benefit payments, including refunds	(1,936,000)	(1,772,000)	(1,591,000)	(1,498,000)	(1,337,000)	(1,258,000)	(1,126,000)	(1,159,000)	(1,007,000)
Net change in total pension liability	1,878,000	1,994,000	2,758,000	1,808,000	1,853,000	3,698,000	2,030,000	1,190,000	1,262,000
Total pension liability - beginning	39,303,000	37,309,000	34,551,000	32,743,000	30,890,000	27,192,000	25,162,000	23,972,000	22,710,000
Total pension liability - ending	41,181,000	39,303,000	37,309,000	34,551,000	32,743,000	30,890,000	27,192,000	25,162,000	23,972,000
<b>Plan fiduciary net position</b>									
Contributions - employer	1,497,000	1,414,000	1,345,000	1,307,000	1,229,000	967,000	913,000	959,000	939,000
Contributions - members	397,000	314,000	302,000	298,000	295,000	290,000	300,000	252,000	272,000
Net investment income	(4,516,000)	7,084,000	1,739,000	1,572,000	2,281,000	2,194,000	524,000	917,000	2,776,000
Benefit payments, including refunds	(1,936,000)	(1,772,000)	(1,591,000)	(1,498,000)	(1,337,000)	(1,258,000)	(1,126,000)	(1,042,000)	(1,007,000)
Administrative expense	(31,000)	(39,000)	(31,000)	(22,000)	(26,000)	(24,000)	(38,000)	(40,000)	(30,000)
Net change in plan fiduciary net position	(4,589,000)	7,001,000	1,764,000	1,657,000	2,442,000	2,169,000	573,000	1,046,000	2,950,000
Plan fiduciary net position - beginning	36,729,000	29,728,000	27,964,000	26,307,000	23,865,000	21,696,000	21,123,000	20,077,000	17,127,000
Plan fiduciary net position - ending	32,140,000	36,729,000	29,728,000	27,964,000	26,307,000	23,865,000	21,696,000	21,123,000	20,077,000
<b>Town's net pension liability</b>	<b>\$ 9,041,000</b>	<b>\$ 2,574,000</b>	<b>\$ 7,581,000</b>	<b>\$ 6,587,000</b>	<b>\$ 6,436,000</b>	<b>\$ 7,025,000</b>	<b>\$ 5,496,000</b>	<b>\$ 4,039,000</b>	<b>\$ 3,895,000</b>
Plan fiduciary net position as a percentage of total pension liability	78.05%	93.45%	79.68%	80.94%	80.34%	77.26%	79.79%	83.95%	83.75%
Covered payroll	\$ 9,609,334	\$ 10,028,745	\$ 8,330,913	\$ 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	94.09%	25.67%	91.00%	78.55%	82.09%	93.42%	84.85%	61.04%	64.54%

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

*See accompanying notes to required supplementary information.*



**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -**  
**PENSION PLAN (UNAUDITED)**  
**LAST NINE FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,496,613	\$ 1,413,241	\$ 1,344,995	\$ 1,306,989	\$ 1,228,568	\$ 946,526	\$ 862,350	\$ 959,089	\$ 938,840
Contributions in relation to the actuarially determined contribution	<u>1,496,613</u>	<u>1,413,241</u>	<u>1,344,995</u>	<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 (surplus) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,056)</u>	<u>\$ (50,400)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,609,334	\$ 10,028,745	\$ 8,330,913	\$ 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	15.57%	14.09%	16.14%	15.59%	15.67%	12.85%	14.09%	14.49%	15.56%
Annual money-weighted rate of return, net of investment expense	-12.10%	24.12%	6.29%	6.05%	9.68%	10.16%	2.50%	4.54%	16.12%

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

*See accompanying notes to required supplementary information.*

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -**  
**CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST EIGHT FISCAL YEARS\***  
(Rounded to nearest thousand)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	<u>38,052,000</u>	<u>48,045,000</u>	<u>44,910,000</u>	<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>
Total	<u>\$ 38,052,000</u>	<u>\$ 48,045,000</u>	<u>\$ 44,910,000</u>	<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	\$ 11,474,000	\$ 11,097,000	\$ 11,547,000	\$ 11,368,000	\$ 10,871,000	\$ 10,478,000	\$ 9,992,000	\$ 9,631,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

*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 SIX FISCAL YEARS\***  
(Rounded to Nearest Thousand)

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>						
Service cost	\$ 58,000	\$ 69,000	\$ 114,000	\$ 159,000	\$ 121,000	\$ 113,000
Interest	150,000	309,000	306,000	276,000	268,000	260,000
Changes in benefit terms	-	(1,000)	-	-	-	-
Differences between expected and actual experience	-	(2,315,000)	-	1,131,000	-	-
Changes of assumptions	-	(180,000)	-	(763,000)	-	-
Benefit payments, including refunds	(159,000)	(311,000)	(320,000)	(306,000)	(284,000)	(230,000)
Net change in total OPEB liability	49,000	(2,429,000)	100,000	497,000	105,000	143,000
Total OPEB liability - beginning	2,413,000	4,842,000	4,742,000	4,245,000	4,140,000	3,997,000
Total OPEB liability - ending	2,462,000	2,413,000	4,842,000	4,742,000	4,245,000	4,140,000
<b>Plan fiduciary net position</b>						
Contributions	179,000	391,000	445,000	436,000	349,000	351,000
Net investment income	(216,000)	347,000	73,000	69,000	78,000	73,000
Benefit payments, including refunds	(159,000)	(311,000)	(320,000)	(306,000)	(284,000)	(230,000)
Administrative expense	(25,000)	(3,000)	(27,000)	(5,000)	(23,000)	(4,000)
Net change in plan fiduciary net position	(221,000)	424,000	171,000	194,000	120,000	190,000
Plan fiduciary net position - beginning	1,816,000	1,392,000	1,221,000	1,027,000	907,000	717,000
Plan fiduciary net position - ending	1,595,000	1,816,000	1,392,000	1,221,000	1,027,000	907,000
<b>Town's net OPEB liability</b>	<b>\$ 867,000</b>	<b>\$ 597,000</b>	<b>\$ 3,450,000</b>	<b>\$ 3,521,000</b>	<b>\$ 3,218,000</b>	<b>\$ 3,233,000</b>
Plan fiduciary net position as a percentage of total OPEB liability	64.78%	75.26%	28.75%	25.75%	24.19%	21.91%
Covered payroll	\$ 19,500,635	\$ 19,500,635	\$ 19,526,175	\$ 19,526,175	\$ 19,046,175	\$ 19,046,175
Town's net pension liability as a percentage of covered payroll	4.45%	3.06%	17.67%	18.03%	16.90%	16.97%

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

*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 SIX FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 166,855	\$ 405,936	\$ 399,903	\$ 350,117	\$ 337,621	\$ 297,826
Contributions in relation to the actuarially determined contribution:	<u>179,419</u>	<u>390,886</u>	<u>444,902</u>	<u>436,469</u>	<u>348,860</u>	<u>351,387</u>
Contribution deficiency	<u>\$ (12,564)</u>	<u>\$ 15,050</u>	<u>\$ (44,999)</u>	<u>\$ (86,352)</u>	<u>\$ (11,239)</u>	<u>\$ (53,561)</u>
Covered payroll	\$ 19,500,635	\$ 19,500,635	\$ 19,526,175	\$ 19,526,175	\$ 19,046,175	\$ 19,046,175
Contributions as a percentage of covered payroll	0.92%	2.00%	2.28%	2.24%	1.83%	1.84%
Annual money-weighted rate of return, net of investment expense	-11.93%	24.62%	5.72%	6.65%	8.55%	9.41%

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

*See accompanying notes to required supplementary information.*

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>4,146,000</u>	<u>7,166,000</u>	<u>7,004,039</u>	<u>6,922,000</u>	<u>8,824,000</u>
Total	<u>\$ 4,146,000</u>	<u>\$ 7,166,000</u>	<u>\$ 7,004,039</u>	<u>\$ 6,922,000</u>	<u>\$ 8,824,000</u>
Town's covered employee payroll	\$ 11,474,000	\$ 11,097,000	\$ 11,547,000	\$ 11,368,000	\$ 10,871,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	6.11%	2.50%	2.08%	1.49%	1.79%

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

*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, 2022

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**NOTE 1 - 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 REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

**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, 2022:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 41,870,218	\$ 38,742,794	\$ (2,727,162)	\$ 400,262
"On-behalf" payments - State Teachers Retirement Fund	3,261,199	3,261,199	-	-
Change in encumbrances	-	386,730	-	(386,730)
Reimbursement for certain grant costs recorded as a reduction to expenditures for budgetary purposes	666,894	666,894	-	-
Budgetary perspective differences funds combined for GAAP financial reporting purposes:				
Warehouse Point Fire Fund	28,767	17,682	-	11,085
Other	<u>(1,500)</u>	<u>-</u>	<u>-</u>	<u>(1,500)</u>
GAAP basis	<u>\$ 45,825,578</u>	<u>\$ 43,075,299</u>	<u>\$ (2,727,162)</u>	<u>\$ 23,117</u>

**NOTE 2 - 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, 2021.

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

*Assumption Changes* - There were no changes in benefit terms that had a significant effect on the measurement of the total pension liability.

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 3 - 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 2022 are as follows:

Actuarial cost method:	Projected Unit Credit
Amortization method:	Level percent
Remaining amortization period:	Closed 12 years
Asset valuation method:	Market value
Investment rate of return:	6.25%
Salary increases:	3.50%

Mortality PubG-2010 Combined Healthy Mortality with generational projection per MP-2019 Ultimate Scale.

**NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT 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, 2020. The liabilities were estimated based on a measurement date of June 30, 2020. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2021.

*Benefit Changes* - There were no changes in benefit terms that had a significant effect on the measurement of the collective net pension liability.

*Assumption Changes* - There were no changes in assumption that had a significant effect on the measurement of the collective net pension liability.

**NOTE 5 - 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.



**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 5 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**  
*(Continued)*

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2021.

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

*Assumption Changes* - There were no changes in benefit terms that had a significant effect on the measurement of the total pension liability.

**NOTE 6 - 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.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2022.

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage
Remaining amortization period:	18 years, closed
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return	6.25%
Discount rate	6.25%
Inflation rate	2.60%
Healthcare cost trend rate:	Initial 5.30%
	Ultimate 4.10%

**TOWN OF EAST WINDSOR, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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**NOTE 7 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM**

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. This information is utilized by the Town for reporting as of June 30, 2022.

*Benefit Changes* - There were no changes in benefit terms that have had a significant effect on the measurement of the collective net OPEB liability.

*Assumption Changes* - There were no changes in assumptions that had a significant effect on the measurement of the collective net OPEB liability.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**GENERAL FUND**

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**TOWN OF EAST WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET - GENERAL FUND**  
**AS OF JUNE 30, 2022**

	General Fund	Heart & Hypertension Fund	Storm Emergency Fund	Warehouse Point Fire Fund	BOE Nonlapsing Fund	Eliminations	Combined General Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 14,504,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,504,899
Receivables:							
Property taxes and interest, net	1,191,341	-	-	-	-	-	1,191,341
Other	22,142	-	-	2,585	-	-	24,727
Due from other funds	329,980	350,727	163,982	17,010	478,380	(1,010,099)	329,980
Other	2,778	-	-	-	-	-	2,778
Total assets	<u>\$ 16,051,140</u>	<u>\$ 350,727</u>	<u>\$ 163,982</u>	<u>\$ 19,595</u>	<u>\$ 478,380</u>	<u>\$ (1,010,099)</u>	<u>\$ 16,053,725</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,043,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,043,526
Salaries and benefits payable	451,954	-	-	-	-	-	451,954
Due to other funds	2,803,161	-	-	-	-	(1,010,099)	1,793,062
Deposits payable	579,361	-	-	-	-	-	579,361
Total liabilities	<u>4,878,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,010,099)</u>	<u>3,867,903</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	1,194,549	-	-	-	-	-	1,194,549
<b>FUND BALANCES</b>							
Nonspendable	2,778	-	-	-	-	-	2,778
Committed	-	350,727	163,982	-	478,380	-	993,089
Assigned	750,000	-	-	-	-	-	750,000
Unassigned	9,225,811	-	-	19,595	-	-	9,245,406
Total fund balances	<u>9,978,589</u>	<u>350,727</u>	<u>163,982</u>	<u>19,595</u>	<u>478,380</u>	<u>-</u>	<u>10,991,273</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,051,140</u>	<u>\$ 350,727</u>	<u>\$ 163,982</u>	<u>\$ 19,595</u>	<u>\$ 478,380</u>	<u>\$ (1,010,099)</u>	<u>\$ 16,053,725</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Heart & Hypertension Fund	Storm Emergency Fund	Warehouse Point Fire Fund	BOE Nonlapsing Fund	Eliminations	Combined General Fund
<b>REVENUES</b>							
Property taxes	\$ 34,543,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,543,045
Intergovernmental	10,255,387	-	-	-	-	-	10,255,387
Charges for services	965,999	-	-	28,767	-	-	994,766
Investment earnings	32,380	-	-	-	-	-	32,380
Total revenues	<u>45,796,811</u>	<u>-</u>	<u>-</u>	<u>28,767</u>	<u>-</u>	<u>-</u>	<u>45,825,578</u>
<b>EXPENDITURES</b>							
Current:							
General government	2,086,504	-	-	17,682	-	-	2,104,186
Public safety	3,879,342	-	-	-	-	-	3,879,342
Public works	3,690,494	-	-	-	-	-	3,690,494
Community services	987,705	-	-	-	-	-	987,705
Employee benefits	3,013,532	-	-	-	-	-	3,013,532
Education	28,926,096	-	-	-	-	-	28,926,096
Debt service	473,944	-	-	-	-	-	473,944
Total expenditures	<u>43,057,617</u>	<u>-</u>	<u>-</u>	<u>17,682</u>	<u>-</u>	<u>-</u>	<u>43,075,299</u>
Excess of revenues over expenditures	2,739,194	-	-	11,085	-	-	2,750,279
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	5,908	-	-	-	-	-	5,908
Transfers out	(2,733,070)	-	-	-	-	-	(2,733,070)
Total other financing sources (uses)	<u>(2,727,162)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,727,162)</u>
Net change in fund balances	12,032	-	-	11,085	-	-	23,117
Fund balances - beginning	9,966,557	350,727	163,982	8,510	478,380	-	10,968,156
Fund balances - ending	<u>\$ 9,978,589</u>	<u>\$ 350,727</u>	<u>\$ 163,982</u>	<u>\$ 19,595</u>	<u>\$ 478,380</u>	<u>\$ -</u>	<u>\$ 10,991,273</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, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Over (Under)</b>
<b>PROPERTY TAXES</b>				
Current and prior year levies	\$ 34,017,900	\$ 34,017,900	\$ 34,284,199	\$ 266,299
Interest and lien fees	100,000	100,000	258,846	158,846
Total property taxes	<u>34,117,900</u>	<u>34,117,900</u>	<u>34,543,045</u>	<u>425,145</u>
<b>INTERGOVERNMENTAL REVENUES</b>				
Educational cost sharing grant	5,482,136	5,482,136	5,468,005	(14,131)
Town aid road grant	267,765	267,765	270,518	2,753
Payment in lieu of taxes on State owned property	548,433	548,433	548,433	-
Mashantucket Pequot and Mohegan Fund grant	15,432	15,432	15,432	-
Telephone access grant	15,000	15,000	15,171	171
Adult education	13,393	13,393	14,616	1,223
Tax relief - veterans	5,850	5,850	5,747	(103)
Pro-rata share of CT fines	5,000	5,000	2,862	(2,138)
Tax exempt property - totally disabled persons	1,650	1,650	1,681	31
Total intergovernmental revenues	<u>6,354,659</u>	<u>6,354,659</u>	<u>6,342,465</u>	<u>(12,194)</u>
<b>LOCAL REVENUES</b>				
Building Department	250,000	250,000	431,148	181,148
Town Clerk	220,100	220,100	347,790	127,690
Treasurer	35,200	35,200	91,836	56,636
Land use permits	13,800	13,800	25,625	11,825
Parks and Recreation	32,500	32,500	30,711	(1,789)
Police Department	10,500	10,500	9,896	(604)
Greater Hartford Transit District	7,000	7,000	7,420	420
Aircraft miscellaneous	4,300	4,300	3,450	(850)
Dial-A-Ride	3,000	3,000	2,500	(500)
Public Works	2,500	2,500	1,805	(695)
Assessor	300	300	147	(153)
Other	20	20	-	(20)
Total licenses, fees and charges for goods and services	<u>579,220</u>	<u>579,220</u>	<u>952,328</u>	<u>373,108</u>
<b>REVENUES FROM THE USE OF MONEY</b>				
Interest on deposits	25,000	25,000	32,380	7,380
Total revenues from the use of money	<u>25,000</u>	<u>25,000</u>	<u>32,380</u>	<u>7,380</u>
<b>OTHER FINANCING SOURCES</b>				
Appropriation of Fund Balance	750,000	1,280,000	-	(1,280,000)
Transfers in:				
Sewer Assessment Fund	-	-	4,408	4,408
Police Private Duty Fund	-	1,500	1,500	-
Total other financing sources	<u>750,000</u>	<u>1,281,500</u>	<u>5,908</u>	<u>(1,275,592)</u>
Total revenues and other financing sources	<u>\$ 41,826,779</u>	<u>\$ 42,358,279</u>	<u>\$ 41,876,126</u>	<u>\$ (482,153)</u>

**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, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>GENERAL GOVERNMENT</b>				
Selectmen	\$ 280,585	\$ 285,152	\$ 275,575	\$ (9,577)
Ethic's Commission	500	500	-	(500)
Board of Finance	53,125	53,125	48,453	(4,672)
Assessor	211,510	195,362	190,093	(5,269)
Board of Assessment Appeals	1,725	1,725	430	(1,295)
Tax Collector	139,691	140,911	136,028	(4,883)
Treasurer	257,846	257,847	254,019	(3,828)
Capital improvement planning	750	875	875	-
Legal	280,000	280,000	207,242	(72,758)
Activities, Agency Fees & Associations	121,685	123,054	121,554	(1,500)
Information Technology	254,797	260,397	258,190	(2,207)
Town Clerk	148,093	149,313	145,743	(3,570)
Registrar of Voters	71,436	61,436	57,980	(3,456)
Planning	258,909	221,607	209,969	(11,638)
Planning & Zoning Commission	3,100	3,700	3,450	(250)
Zoning Appeals Board	1,400	1,400	625	(775)
Property Insurance	180,000	180,000	171,975	(8,025)
Inlands, Wetlands & Watercourse Agency	1,800	1,800	1,203	(597)
Veterans Commission	1,200	1,200	1,000	(200)
Agricultural Commission	500	500	400	(100)
Conservation Commission	500	500	450	(50)
Economic Development Commission	1,225	1,225	550	(675)
Diversity Council	-	500	250	(250)
Arts & Culture Council	-	500	450	(50)
Total General Government	<u>2,270,377</u>	<u>2,222,629</u>	<u>2,086,504</u>	<u>(136,125)</u>
<b>PUBLIC SAFETY</b>				
Police Department	3,755,711	3,674,668	3,654,566	(20,102)
Police Commission	1,725	1,725	1,584	(141)
Emergency management	40,715	51,843	51,843	-
Building Department	183,248	150,371	142,949	(7,422)
Communications	30,900	30,900	28,400	(2,500)
Total Public Safety	<u>4,012,299</u>	<u>3,909,507</u>	<u>3,879,342</u>	<u>(30,165)</u>
<b>PUBLIC WORKS</b>				
Public Works	1,119,369	1,116,312	1,085,928	(30,384)
Town property	1,113,925	1,113,924	1,091,288	(22,636)
Road improvements	450,000	450,000	447,032	(2,968)
Building Commission	1,200	1,200	-	(1,200)
Sanitation	1,018,460	1,068,460	1,066,246	(2,214)
Total Public Works	<u>3,702,954</u>	<u>3,749,896</u>	<u>3,690,494</u>	<u>(59,402)</u>
<b>COMMUNITY SERVICES</b>				
Senior Services	252,387	252,387	231,311	(21,076)
Elderly Commission	500	500	-	(500)
Social Services	148,531	178,531	165,529	(13,002)
Libraries	305,500	305,500	305,500	-
Park and Recreation	304,872	311,879	285,365	(26,514)
Historical Commission	500	500	-	(500)
Total Community Services	<u>1,012,290</u>	<u>1,049,297</u>	<u>987,705</u>	<u>(61,592)</u>

*(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, 2022**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>EDUCATION</b>	\$ 25,130,075	\$ 25,130,075	\$ 24,611,273	\$ (518,802)
<b>DEBT SERVICE</b>	1,028,023	475,023	473,944	(1,079)
<b>EMPLOYEE BENEFITS</b>	3,483,267	3,063,267	3,013,532	(49,735)
<b>CONTINGENCY</b>	104,756	24,847	-	(24,847)
Total expenditures	<u>40,744,041</u>	<u>39,624,541</u>	<u>38,742,794</u>	<u>(881,747)</u>
<b>OTHER FINANCING USES</b>				
Transfers out:				
Dog Fund	39,230	39,230	39,230	-
Youth Service Bureau Fund	28,840	28,840	28,840	-
Capital Nonrecurring Fund	1,014,668	2,665,668	2,665,000	(668)
Total other financing uses	<u>1,082,738</u>	<u>2,733,738</u>	<u>2,733,070</u>	<u>(668)</u>
Total expenditures and other financing uses	<u>\$ 41,826,779</u>	<u>\$ 42,358,279</u>	<u>\$ 41,475,864</u>	<u>\$ (882,415)</u>

*(Concluded)*

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - EDUCATION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>EDUCATION</b>				
Wages:				
Administration	\$ 497,441	\$ 497,441	\$ 587,825	\$ 90,384
Building administration	866,977	866,977	859,584	(7,393)
Certified personnel	9,346,053	8,578,428	8,372,655	(205,773)
Clerical	574,279	574,279	673,027	98,748
Custodial	717,528	717,528	667,901	(49,627)
Substitutes	86,170	3,170	354,707	351,537
Support services	1,904,552	2,819,567	3,045,187	225,620
Tutors/Teacher's aides/Paras	2,416,398	2,274,568	2,087,306	(187,262)
Total wages	<u>16,409,398</u>	<u>16,331,958</u>	<u>16,648,192</u>	<u>316,234</u>
Employee benefits:				
Health, dental & life insurance	1,395,451	1,395,451	1,139,688	(255,763)
Retirement and social security	1,326,623	1,326,623	1,326,337	(286)
Worker's compensation and unemployment	179,580	179,580	127,905	(51,675)
Total employee benefits	<u>2,901,654</u>	<u>2,901,654</u>	<u>2,593,930</u>	<u>(307,724)</u>
Other:				
Professional services	1,065,558	1,145,558	1,336,049	190,491
Property services	541,494	550,877	796,695	245,818
Transportation	1,509,354	1,509,354	1,438,444	(70,910)
Tuition	1,150,961	1,097,655	543,489	(554,166)
Liability insurance	194,708	194,708	123,751	(70,957)
Other purchased services	879,702	919,039	566,802	(352,237)
Heat	168,636	168,636	227,745	59,109
Supplies	191,880	193,706	228,027	34,321
Equipment	80,944	81,144	31,411	(49,733)
Dues & fees	35,786	35,786	25,098	(10,688)
COVID	-	-	51,640	51,640
Total other	<u>5,819,023</u>	<u>5,896,463</u>	<u>5,369,151</u>	<u>(527,312)</u>
Total education	<u>\$ 25,130,075</u>	<u>\$ 25,130,075</u>	<u>\$ 24,611,273</u>	<u>\$ (518,802)</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Grand List Year	Balance Uncollected June 30, 2021	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2022
			Additions	Deductions			Taxes	Interest and		
								Lien Fees	Total	
2020	\$ -	\$ 34,606,080	\$ 135,765	\$ 198,383	\$ 43,790	\$ 34,499,672	\$ 34,038,102	\$ 133,378	\$ 34,171,480	\$ 461,570
2019	360,968	-	21,331	29,736	13,565	338,998	216,907	60,411	277,318	122,091
2018	136,324	-	15,156	20,104	21,776	109,600	46,034	23,047	69,081	63,566
2017	84,235	-	-	1,037	13,834	69,364	12,295	8,790	21,085	57,069
2016	54,196	-	-	-	3,476	50,720	3,596	3,440	7,036	47,124
2015	38,812	-	-	-	210	38,602	1,005	1,131	2,136	37,597
2014	21,768	-	-	-	-	21,768	2,136	2,678	4,814	19,632
2013	18,263	-	-	-	1,180	17,083	2,216	3,211	5,427	14,867
2012	34,934	-	-	-	2,066	32,868	848	1,431	2,279	32,020
2011	8,664	-	-	86	1,865	6,713	286	688	974	6,427
2010	329	-	-	-	303	26	-	-	-	26
2009	-	-	-	-	-	-	-	-	-	-
2008	140	-	-	-	140	-	-	-	-	-
	<u>\$ 758,633</u>	<u>\$ 34,606,080</u>	<u>\$ 172,252</u>	<u>\$ 249,346</u>	<u>\$ 102,205</u>	<u>\$ 35,185,414</u>	<u>\$ 34,323,425</u>	<u>\$ 238,205</u>	<u>\$ 34,561,630</u>	<u>\$ 861,989</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION -**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**AS OF JUNE 30, 2022**

Total cash collections for the year ended  
June 30, 2022:

Taxes	\$ 34,323,425
Interest and lien fees	238,205
Wharehouse Point Fire District** (taxes, interest and liens)	<u>935,608</u>
Total	<u>35,497,238</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	<u>7,428</u>
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Base

	<u>\$ 35,504,666</u>
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	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 79,885,499	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	159,770,997	-	-	-
3-3/4 times base	-	-	133,142,498	-	-
3-1/4 times base	-	-	-	115,390,165	-
3 times base	-	-	-	-	106,513,998
Total debt limitation	<u>79,885,499</u>	<u>159,770,997</u>	<u>133,142,498</u>	<u>115,390,165</u>	<u>106,513,998</u>
Indebtedness:					
Direct debt:					
Bonds payable	2,065,000	2,250,000	-	-	-
Notes payable	-	-	1,833,125	-	-
Authorized but unissued debt	-	-	-	-	-
	<u>2,065,000</u>	<u>2,250,000</u>	<u>1,833,125</u>	<u>-</u>	<u>-</u>
Less: grant reimbursements	-	(674,866) *	-	-	-
Total direct debt	<u>2,065,000</u>	<u>1,575,134</u>	<u>1,833,125</u>	<u>-</u>	<u>-</u>
Overlapping debt:					
Bonds payable - Wharehouse Point Fire District	<u>1,866,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>3,931,667</u>	<u>1,575,134</u>	<u>1,833,125</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 75,953,832</u>	<u>\$ 158,195,863</u>	<u>\$ 131,309,373</u>	<u>\$ 115,390,165</u>	<u>\$ 106,513,998</u>
Total capacity of borrowing (7 times base)	\$ 248,532,662				
Total present indebtedness	<u>7,339,926</u>				
Margin for additional borrowing	<u>\$ 241,192,736</u>				

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

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**NONMAJOR GOVERNMENTAL FUNDS**

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TOWN OF EAST WINDSOR, CONNECTICUT  
 COMBINING BALANCE SHEET -  
 NONMAJOR GOVERNMENTAL FUNDS  
 AS OF JUNE 30, 2022

	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
<b>ASSETS</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,591,381	\$ 872,127	\$ 93,855	\$ 28,853	\$ 14,298	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables:									
Assessments and user charges	-	-	-	134,555	106,865	-	-	-	-
Grants and contracts	-	-	-	-	-	-	-	-	-
Other	-	71,916	-	-	-	-	-	24,817	-
Due from other funds	125,065	24,864	27,979	-	48,550	-	-	-	123,760
Other	750	-	-	-	-	-	-	-	-
Total assets	<u>\$ 125,815</u>	<u>\$ 96,780</u>	<u>\$ 27,979</u>	<u>\$ 2,725,936</u>	<u>\$ 1,027,542</u>	<u>\$ 93,855</u>	<u>\$ 28,853</u>	<u>\$ 39,115</u>	<u>\$ 123,760</u>
<b>LIABILITIES</b>									
Accounts payable	\$ 3,738	\$ -	\$ 6,140	\$ 38,427	\$ -	\$ -	\$ -	\$ -	\$ 40,894
Salaries and benefits payable	4,513	19,525	872	26,877	-	-	-	-	-
Due to other funds	-	-	-	231,268	-	-	-	-	-
Unearned revenue	21,766	3,866	-	317,392	-	-	-	-	-
Total liabilities	<u>30,017</u>	<u>23,391</u>	<u>7,012</u>	<u>613,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,894</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue	-	-	-	134,555	106,865	-	-	-	-
<b>FUND BALANCES</b>									
Nonspendable	750	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	39,115	-
Committed to:									
Capital purposes	-	-	-	-	-	93,855	-	-	-
Other purposes	95,048	73,389	20,967	1,977,417	920,677	-	28,853	-	82,866
Total fund balances	<u>95,798</u>	<u>73,389</u>	<u>20,967</u>	<u>1,977,417</u>	<u>920,677</u>	<u>93,855</u>	<u>28,853</u>	<u>39,115</u>	<u>82,866</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 125,815</u>	<u>\$ 96,780</u>	<u>\$ 27,979</u>	<u>\$ 2,725,936</u>	<u>\$ 1,027,542</u>	<u>\$ 93,855</u>	<u>\$ 28,853</u>	<u>\$ 39,115</u>	<u>\$ 123,760</u>

(Continued)

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**AS OF JUNE 30, 2022**

	<b>Nonmajor Special Revenue Funds</b>							<b>Subtotal</b>
	<b>Town Donations Fund</b>	<b>Broad Brook Fire Fund</b>	<b>Senior Center Fund</b>	<b>Educational Grants Fund</b>	<b>School Cafeteria Fund</b>	<b>Family Resource Center Fund</b>	<b>Student Activity Fund</b>	
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 78,017	\$ 85,406	\$ 128,931	\$ 3,892,868
Investments	-	-	-	-	-	-	-	-
Receivables:								
Assessments and user charges	-	-	-	-	-	-	-	241,420
Grants and contracts	-	-	-	180,877	111,199	-	-	292,076
Other	3,220	-	-	-	-	-	-	99,953
Due from other funds	221,955	147,111	15,461	364,795	78,871	-	-	1,178,411
Other	-	638	-	-	3,461	-	-	4,849
Total assets	<u>\$ 225,175</u>	<u>\$ 147,749</u>	<u>\$ 15,461</u>	<u>\$ 545,672</u>	<u>\$ 271,548</u>	<u>\$ 85,406</u>	<u>\$ 128,931</u>	<u>\$ 5,709,577</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 971	\$ 14,172	\$ -	\$ 373,868	\$ 37,774	\$ 2,165	\$ -	\$ 518,149
Salaries and benefits payable	-	34,340	-	-	-	-	-	86,127
Due to other funds	-	-	-	-	-	28,166	-	259,434
Unearned revenue	-	-	-	171,804	-	-	-	514,828
Total liabilities	<u>971</u>	<u>48,512</u>	<u>-</u>	<u>545,672</u>	<u>37,774</u>	<u>30,331</u>	<u>-</u>	<u>1,378,538</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	-	-	-	-	241,420
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	3,461	-	-	4,211
Restricted	224,204	-	-	-	-	-	128,931	392,250
Committed to:								
Capital purposes	-	-	-	-	-	-	-	93,855
Other purposes	-	99,237	15,461	-	230,313	55,075	-	3,599,303
Total fund balances	<u>224,204</u>	<u>99,237</u>	<u>15,461</u>	<u>-</u>	<u>233,774</u>	<u>55,075</u>	<u>128,931</u>	<u>4,089,619</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 225,175</u>	<u>\$ 147,749</u>	<u>\$ 15,461</u>	<u>\$ 545,672</u>	<u>\$ 271,548</u>	<u>\$ 85,406</u>	<u>\$ 128,931</u>	<u>\$ 5,709,577</u>

**TOWN OF EAST WINDSOR, CONNECTICUT**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS (Concluded)**  
**AS OF JUNE 30, 2022**

	<b>Nonmajor Permanent Fund</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Cemetery Trust Fund</b>	<b>Scholarship Trust Fund</b>	<b>Subtotal</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,233	\$ 76,002	\$ 81,235	\$ 3,974,103
Investments	-	354,668	354,668	354,668
Receivables:				
Assessments and user charges	-	-	-	241,420
Grants and contracts	-	-	-	292,076
Other	-	-	-	99,953
Due from other funds	-	-	-	1,178,411
Other	-	-	-	4,849
Total assets	<u>\$ 5,233</u>	<u>\$ 430,670</u>	<u>\$ 435,903</u>	<u>\$ 6,145,480</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 518,149
Salaries and benefits payable	-	-	-	86,127
Due to other funds	-	-	-	259,434
Unearned revenue	-	-	-	514,828
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,378,538</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	241,420
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,420</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	4,211
Restricted	5,233	430,670	435,903	828,153
Committed to:				
Capital purposes	-	-	-	93,855
Other purposes	-	-	-	3,599,303
Total fund balances	<u>5,233</u>	<u>430,670</u>	<u>435,903</u>	<u>4,525,522</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,233</u>	<u>\$ 430,670</u>	<u>\$ 435,903</u>	<u>\$ 6,145,480</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, 2022

	<b>Nonmajor Special Revenue Funds</b>								
	<b>Park and Recreation Programs</b>	<b>Police Private Duty Fund</b>	<b>Dog Fund</b>	<b>Sewer Operating Fund</b>	<b>Sewer Assessment Fund</b>	<b>Sewer Capital Fund</b>	<b>Drug Forfeiture Fund</b>	<b>Small Cities Fund</b>	<b>Youth Services Fund</b>
<b>REVENUES</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	15,915	564,391	1,132
Charges for goods and services	73,008	319,884	7,826	2,048,808	155,026	-	-	-	-
Investment earnings	-	-	-	4,054	1,780	34	13	9	-
Other	-	-	-	3,202	-	-	-	-	-
Total revenues	<u>73,008</u>	<u>319,884</u>	<u>7,826</u>	<u>2,056,064</u>	<u>156,806</u>	<u>34</u>	<u>15,928</u>	<u>564,400</u>	<u>1,132</u>
<b>EXPENDITURES</b>									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	325,126	35,718	-	-	-	-	-	-
Public works	-	-	-	1,965,765	-	-	-	-	-
Community services	97,896	-	-	-	-	-	-	564,391	1,493
Education	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	192,044	-	-	-	-	-
Total expenditures	<u>97,896</u>	<u>325,126</u>	<u>35,718</u>	<u>2,157,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>564,391</u>	<u>1,493</u>
Excess (deficiency) of revenues over expenditures	(24,888)	(5,242)	(27,892)	(101,745)	156,806	34	15,928	9	(361)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	39,230	254,202	-	-	-	-	28,840
Transfers out	-	(1,500)	-	-	(258,610)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,500)</u>	<u>39,230</u>	<u>254,202</u>	<u>(258,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,840</u>
Net change in fund balances	(24,888)	(6,742)	11,338	152,457	(101,804)	34	15,928	9	28,479
Fund balances - beginning	120,686	80,131	9,629	1,824,960	1,022,481	93,821	12,925	39,106	54,387
Fund balances - ending	<u>\$ 95,798</u>	<u>\$ 73,389</u>	<u>\$ 20,967</u>	<u>\$ 1,977,417</u>	<u>\$ 920,677</u>	<u>\$ 93,855</u>	<u>\$ 28,853</u>	<u>\$ 39,115</u>	<u>\$ 82,866</u>

*(Continued)*

**TOWN OF EAST WINDSOR, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 NONMAJOR GOVERNMENTAL FUNDS (Continued)  
 FOR THE YEAR ENDED JUNE 30, 2022

	<b>Nonmajor Special Revenue Funds</b>							<b>Subtotal</b>
	<b>Town Donations Fund</b>	<b>Broad Brook Fire Fund</b>	<b>Senior Center Fund</b>	<b>Educational Grants Fund</b>	<b>School Cafeteria Fund</b>	<b>Family Resource Center Fund</b>	<b>Student Activity Fund</b>	
<b>REVENUES</b>								
Property taxes	\$ -	963,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 963,513
Intergovernmental	-	-	-	2,339,347	726,434	190,972	-	3,838,191
Charges for goods and services	480	-	6,714	-	44,563	236,445	77,799	2,970,553
Investment earnings	-	-	-	-	878	-	-	6,768
Other	54,148	-	630	-	-	-	-	57,980
<b>Total revenues</b>	<b>54,628</b>	<b>963,513</b>	<b>7,344</b>	<b>2,339,347</b>	<b>771,875</b>	<b>427,417</b>	<b>77,799</b>	<b>7,837,005</b>
<b>EXPENDITURES</b>								
Current:								
General government	1,963	-	-	-	-	-	-	1,963
Public safety	-	664,276	-	-	-	-	-	1,025,120
Public works	-	-	-	-	-	-	-	1,965,765
Community services	24,347	-	6,782	-	-	-	-	694,909
Education	-	-	-	2,339,347	701,384	353,783	80,387	3,474,901
Capital outlays	-	-	-	-	-	-	-	192,044
<b>Total expenditures</b>	<b>26,310</b>	<b>664,276</b>	<b>6,782</b>	<b>2,339,347</b>	<b>701,384</b>	<b>353,783</b>	<b>80,387</b>	<b>7,354,702</b>
Excess (deficiency) of revenues over expenditures	28,318	299,237	562	-	70,491	73,634	(2,588)	482,303
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	322,272
Transfers out	-	(200,000)	-	-	-	-	-	(460,110)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(200,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(137,838)</b>
Net change in fund balances	28,318	99,237	562	-	70,491	73,634	(2,588)	344,465
Fund balances - beginning	195,886	-	14,899	-	163,283	(18,559)	131,519	3,745,154
Fund balances - ending	<b>\$ 224,204</b>	<b>\$ 99,237</b>	<b>\$ 15,461</b>	<b>\$ -</b>	<b>\$ 233,774</b>	<b>\$ 55,075</b>	<b>\$ 128,931</b>	<b>\$ 4,089,619</b>

(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, 2022

	<b>Nonmajor Permanent Funds</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Cemetery Trust Fund</b>	<b>Scholarship Trust Fund</b>	<b>Subtotal</b>	
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 963,513
Intergovernmental	-	-	-	3,838,191
Charges for goods and services	-	-	-	2,970,553
Investment earnings	15	(10,878)	(10,863)	(4,095)
Other	-	12,000	12,000	69,980
Total revenues	<u>15</u>	<u>1,122</u>	<u>1,137</u>	<u>7,838,142</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	1,963
Public safety	-	-	-	1,025,120
Public works	-	-	-	1,965,765
Community services	-	-	-	694,909
Education	-	8,160	8,160	3,483,061
Capital outlays	-	-	-	192,044
Total expenditures	<u>-</u>	<u>8,160</u>	<u>8,160</u>	<u>7,362,862</u>
Excess (deficiency) of revenues over expenditures	15	(7,038)	(7,023)	475,280
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	322,272
Transfers out	-	-	-	(460,110)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(137,838)</u>
Net change in fund balances	15	(7,038)	(7,023)	337,442
Fund balances - beginning	<u>5,218</u>	<u>437,708</u>	<u>442,926</u>	<u>4,188,080</u>
Fund balances - ending	<u>\$ 5,233</u>	<u>\$ 430,670</u>	<u>\$ 435,903</u>	<u>\$ 4,525,522</u>

*(Concluded)*

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**FIDUCIARY FUNDS**

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**TOWN OF EAST WINDSOR, CONNECTICUT**  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
 PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS  
 AS OF JUNE 30, 2022

	<b>Pension Trust Fund</b>	<b>Other Post- Employment Benefits Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,233,396	\$ 40,254	\$ 1,273,650
Investments:			
Mutual funds	30,810,833	1,556,042	32,366,875
Fixed income securities	125,395	-	125,395
	<u>30,936,228</u>	<u>1,556,042</u>	<u>32,492,270</u>
Total assets	<u>32,169,624</u>	<u>1,596,296</u>	<u>33,765,920</u>
<b>LIABILITIES</b>			
Payables	30,178	1,374	31,552
Total liabilities	<u>30,178</u>	<u>1,374</u>	<u>31,552</u>
<b>NET POSITION</b>			
Restricted for pension and other post-employment benefits	<u>\$ 32,139,446</u>	<u>\$ 1,594,922</u>	<u>\$ 33,734,368</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, 2022

	<b>Pension Trust Fund</b>	<b>Other Post- Employment Benefits Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 1,496,613	\$ 20,356	\$ 1,516,969
Plan members	397,257	-	397,257
Total contributions	<u>1,893,870</u>	<u>20,356</u>	<u>1,914,226</u>
Investment earnings:			
Interest and dividends	489,179	28,019	517,198
Net change in the fair value of investments, net of fees	<u>(5,004,828)</u>	<u>(242,377)</u>	<u>(5,247,205)</u>
Total investment earnings	<u>(4,515,649)</u>	<u>(214,358)</u>	<u>(4,730,007)</u>
Total additions	<u>(2,621,779)</u>	<u>(194,002)</u>	<u>(2,815,781)</u>
<b>DEDUCTIONS</b>			
Benefit payments	1,935,746	-	1,935,746
Administrative expenses	31,778	26,150	57,928
Total deductions	<u>1,967,524</u>	<u>26,150</u>	<u>1,993,674</u>
Change in net position	(4,589,303)	(220,152)	(4,809,455)
Net position - beginning	<u>36,728,749</u>	<u>1,815,074</u>	<u>38,543,823</u>
Net position - ending	<u>\$ 32,139,446</u>	<u>\$ 1,594,922</u>	<u>\$ 33,734,368</u>

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**OTHER SUPPLEMENTARY INFORMATION**

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**TOWN OF EAST WINDSOR, CONNECTICUT**  
**OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**JUNE 30, 2022**

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**I. Amounts of the gross and the net taxable Grand List (October 1, 2021):**

1. Gross Taxable Grand List	1,166,791,550
2. Net Taxable Grand List	1,018,158,648

**II. Ten largest taxpayers on the October 1, 2020 Grand List, with taxable valuation:**

	Net Assessment	% of Net Taxable Grand List
1 Eversource	\$ 22,301,580	2.2%
2 The Mansions at Canyon Ridge	21,792,630	2.1%
3 Walmart Stores East, LP	18,650,220	1.8%
4 Southern Auto Sales, Inc.	14,979,100	1.5%
5 Millpond Limited Partnership	14,700,000	1.4%
6 Connecticut Water Company	10,110,620	1.0%
7 East Windsor Properties Ltd Partnership	9,772,210	1.0%
8 PENSKE Truck Leasing Co LP	8,640,270	0.8%
9 Wynwood Apartments Connecticut LP	7,025,020	0.7%
10 Yankee Gas Services Co	5,918,170	0.6%
	<u>\$ 133,889,820</u>	<u>13.2%</u>

**III. Percentage of the annual property tax levy uncollected as of the close of the fiscal year ending June 30, 2022:**

	Adjusted Levy	Uncollected Taxes June 30, 2022	% Uncollected Taxes June 30, 2022
October 1, 2020 Grand List	\$ 34,499,672	\$ 461,570	1.3%

**IV. Calculation of debt as of the close of the fiscal year ending June 30, 2022:**

Long-Term Debt:	
General obligation bonds payable	\$ 4,315,000
Notes payable	1,833,125
Total Direct Debt	<u>6,148,125</u>
Less:	
Grant reimbursements	<u>(674,866)</u>
Net Direct Debt	5,473,259
Overlapping and Underlying Debt	1,866,667
Total Overall Net Debt	<u>\$ 7,339,926</u>



**TOWN OF EAST WINDSOR, CONNECTICUT**  
OTHER SUPPLEMENTARY INFORMATION (UNAUDITED) *(Concluded)*  
JUNE 30, 2022

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**V. Debt per Capita**

Population Estimate (as of July 1, 2021):*		11,161
Total Direct Debt Per Capita	\$	551
Total Net Direct Debt Per Capita		490
Total Overall Net Debt Per Capita		658

\* - 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	\$	1,018,158,648
Total Direct Debt to Net Taxable Grand List		0.60%
Total Overall Net Debt to Net Taxable Grand List		0.72%