

TOWN OF EAST WINDSOR, CONNECTICUT

FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2021**

TOWN OF EAST WINDSOR, CONNECTICUT
TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis (Unaudited)	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Governmental Fund Financial Statements	
Balance Sheet	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	19
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	20
Statement of Changes in Fiduciary Net Position	21
Notes to the Financial Statements	22
Required Supplementary Information (Unaudited):	
Schedule of Changes in the Town's Net Position Liability - Pension Plan	59
Schedule of Contributions and Investment Returns - Pension Plan	60
Schedule of Town's Proportionate Share of the Collective Net Pension Liability - Connecticut Teachers' Retirement System	61
Schedule of Changes in Net OPEB Liability - Other Post-employment Benefits Plan	62
Schedule of Contributions and Investment Returns - Other Post-employment Benefits Plan	63
Schedule of Town's Proportionate Share of the Collective Net Pension Liability - Connecticut Teachers' Retirement System	64
Notes to Required Supplementary Information	65
Combining and Individual Fund Statements and Schedules:	
Governmental Funds:	
General Fund:	
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	69
Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	70
Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis	71
Schedule of Property Taxes Levied, Collected and Outstanding	73
Schedule of Debt Limitation	74

TOWN OF EAST WINDSOR, CONNECTICUT
TABLE OF CONTENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Page</u>
Combining and Individual Fund Statements and Schedules <i>(Continued)</i>:	
Governmental Funds: <i>(Continued)</i>	
Nonmajor Governmental Funds:	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	78
Fiduciary Funds:	
Pension and Other Post-Employment Benefits Trust Funds:	
Combining Statement of Fiduciary Net Position	81
Combining Statement of Changes in Fiduciary Net Position	82
Other Supplementary Information (Unaudited)	83

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of East Windsor, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Windsor, Connecticut (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of East Windsor, Connecticut, as of June 30, 2021, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As disclosed in Note 1 to the financial statements, the Town of adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 12 and the information on pages 59 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The combining and individual fund financial statements and schedules and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules on pages 68 through 82 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information on pages 83 and 84 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town’s internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
February 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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, 2021.

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 \$54,646,116 (net position). Of this amount, \$8,618,843 represents the Town's unrestricted net position.
- The Town's total net position increased by \$3,754,207 during the current fiscal year.
- The Town's total long-term debt decreased by \$3,998,687 or 38.2%. This decrease in long-term debt included the defeasance of general obligation bonds in the amount of \$2,330,000, and prepayments on a USDA Rural Development loan in the amount of \$1,318,580 and capital lease obligations in the amount of \$337,454.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,638,815, a decrease of \$545,633 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,840,058. Unassigned fund balance is sufficient to cover 2.5 months of and represents 21.1% of the Town's fiscal year 2022 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 13 and 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital and Nonrecurring Fund, 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 15 through 19 of this report.

Fiduciary Funds

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

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

TOWN OF EAST WINDSOR, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 59 through 67 of this report. Individual fund statements and schedules can be found on pages 68 through 82 of this report and other supplementary information can be found on pages 83 and 84.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

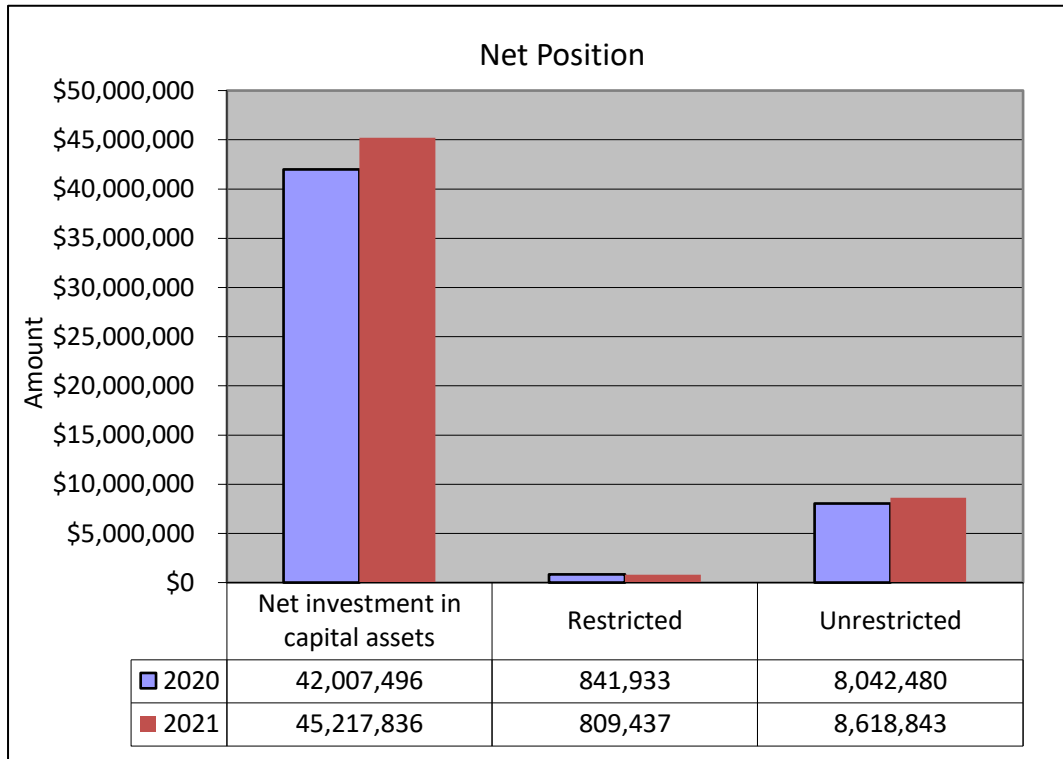
Over time, net position may serve as one measure of a government's financial position. The Town's net position as of June 30, 2021 has been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in an increase to the Town's net position of \$584,942. Net position of the Town totaled \$54,646,116 and \$50,891,909, as restated, as of June 30, 2021 and 2020, respectively, and are summarized as follows:

	2021	2020		
	<u>2021</u>	<u>(As Restated)</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 24,667,240	\$ 22,505,335	\$ 2,161,905	9.6%
Capital assets	51,260,281	52,186,309	(926,028)	-1.8%
Total assets	<u>75,927,521</u>	<u>74,691,644</u>	<u>1,235,877</u>	1.7%
Deferred outflows of resources	<u>1,898,919</u>	<u>2,498,938</u>	<u>(600,019)</u>	-24.0%
Other liabilities	4,892,141	2,175,760	2,716,381	124.8%
Long-term liabilities	<u>11,328,520</u>	<u>23,330,349</u>	<u>(12,001,829)</u>	-51.4%
Total liabilities	<u>16,220,661</u>	<u>25,506,109</u>	<u>(9,285,448)</u>	-36.4%
Deferred inflows of resources	<u>6,959,663</u>	<u>792,564</u>	<u>6,167,099</u>	778.1%
Net position:				
Net investment in capital assets	45,217,836	42,007,496	3,210,340	7.6%
Restricted	809,437	841,933	(32,496)	-3.9%
Unrestricted	<u>8,618,843</u>	<u>8,042,480</u>	<u>576,363</u>	7.2%
Total net position	<u>\$ 54,646,116</u>	<u>\$ 50,891,909</u>	<u>\$ 3,754,207</u>	7.4%

TOWN OF EAST WINDSOR, CONNECTICUT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Net Position *(Continued)*



As of June 30, 2021, 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 1.4% of the Town's net position as of June 30, 2021 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, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

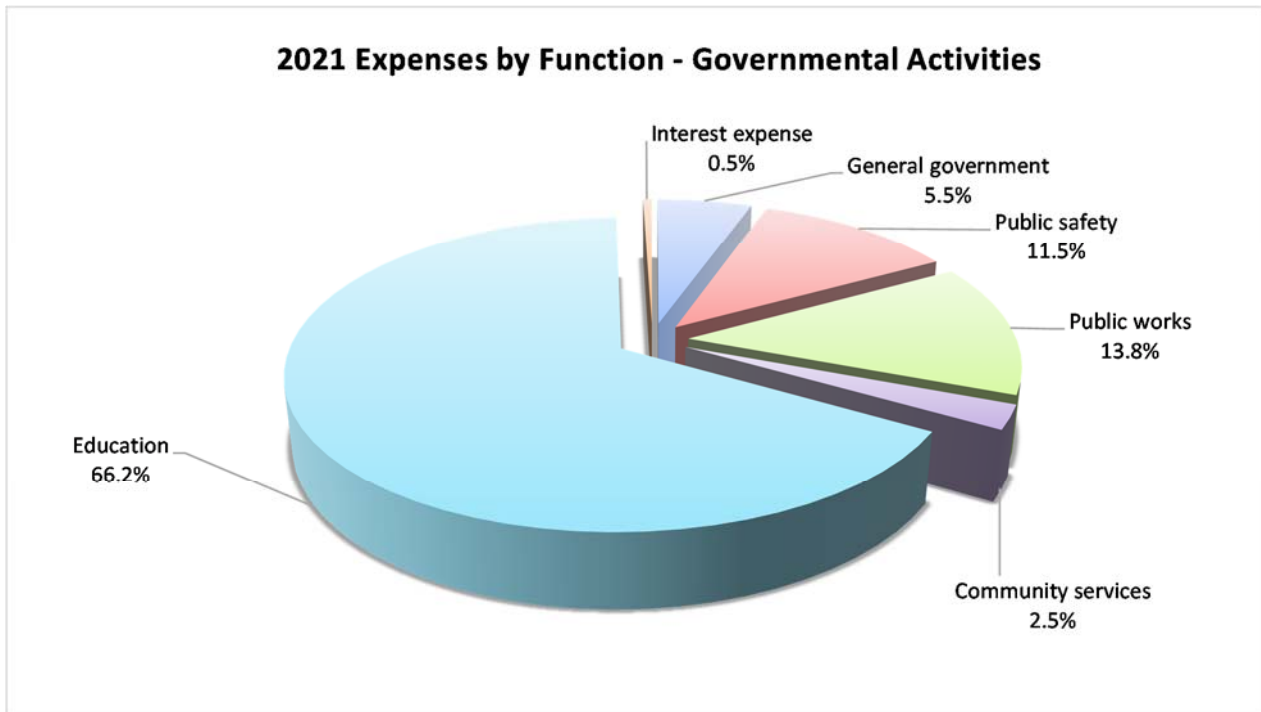
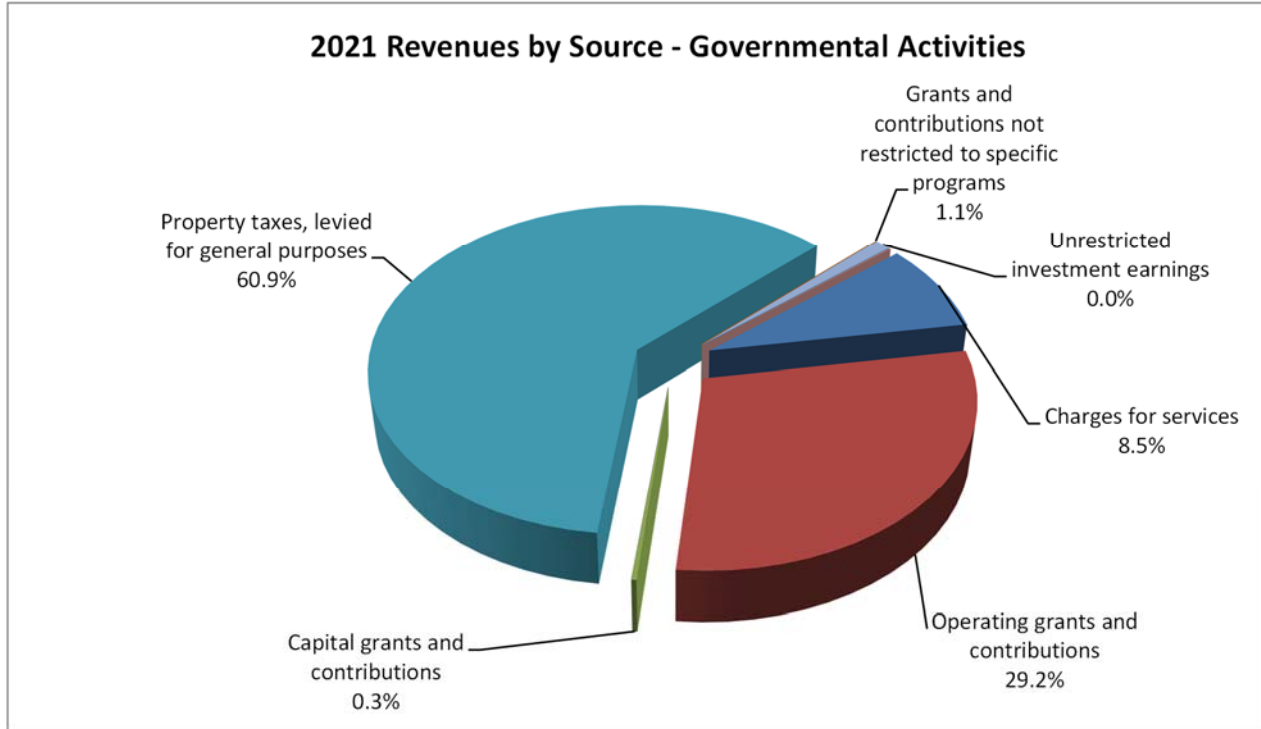
Changes in net position for the years ended June 30, 2021 and 2020 are as follows. Amounts reported for the year ended June 30, 2020 have not been adjusted for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Certain reclassifications have made to amounts reported for the year ended June 30, 2020 to conform with the current year presentation.

	<u>2021</u>	<u>2020</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Program revenues:				
Charges for services	\$ 4,707,348	\$ 4,507,430	\$ 199,918	4.4%
Operating grants and contributions	16,200,478	13,116,067	3,084,411	23.5%
Capital grants and contributions	141,529	-	141,529	-
General revenues:				
Property taxes, levied for general purposes	33,769,801	32,928,003	841,798	2.6%
Grants and contributions not restricted to specific programs	589,933	588,617	1,316	0.2%
Unrestricted investment earnings	26,110	332,176	(306,066)	-92.1%
Total revenues	<u>55,435,199</u>	<u>51,472,293</u>	<u>3,962,906</u>	7.7%
Expenses				
General government	2,817,712	2,887,836	(70,124)	-2.4%
Public safety	5,943,585	6,613,324	(669,739)	-10.1%
Public works	7,132,309	8,277,568	(1,145,259)	-13.8%
Community services	1,297,461	1,344,654	(47,193)	-3.5%
Education	34,227,576	31,990,628	2,236,948	7.0%
Interest expense	262,349	254,472	7,877	3.1%
Total expenses	<u>51,680,992</u>	<u>51,368,482</u>	<u>312,510</u>	0.6%
Change in net position	<u>\$ 3,754,207</u>	<u>\$ 103,811</u>	<u>\$ 3,650,396</u>	3516.4%

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Governmental Activities

The Town's net position increased by \$3,754,207. Total revenues increased by \$3,962,906 or 7.7% over the prior year. Total expenses increased by \$312,510 or 0.6% over the prior year. Significant variances over prior year consisted of the following:

- An increase in operating grants and contributions of \$3,084,411 or 23.5% due to the following:
 - An increase of \$2,209,921 in on-behalf pension and other post-employment benefit contributions related to the Town's participation in the Connecticut Teachers' Retirement System.
 - An increase of \$1,000,702 in grant funds utilized by the School District to pay for program services and to fund Covid-19 related costs.
- A decrease in investment earnings of \$306,066 or 92.1%, driven by continued decreases in interest rates.
- A decrease in public safety expenses of \$669,739 or 10.1%, driven by a decrease in pension and other post-employment benefit expenses.
- A decrease in public works expenses of \$1,145,259 or 13.8%, driven by a decrease in pension and other post-employment benefit expenses in addition to an overall decrease in expenses recognized for non-capital related road improvements.
- An increase in education expenses of \$2,236,948 or 7.0% primarily due to a \$2,209,921 increase in on-behalf pension and other post-employment benefit expenses related to the Town's participation in the Connecticut Teachers' Retirement System.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,638,815, a decrease of \$545,633 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 \$8,840,058. Unassigned fund balance is sufficient to cover 2.5 months of and represents 21.1% of the Town's fiscal year 2022 General Fund budgetary expenditure appropriations.

Capital and Nonrecurring Fund

The fund balance in the Capital and Nonrecurring Fund increased by \$499,441 to \$2,813,683. The increase was due to transfers in of \$1,467,935 to fund authorized capital purposes, offset by current year capital outlays.

Capital Projects Fund

The fund balance in the Capital Projects Fund increased by \$141,807 to \$650,730. The increase was due to the receipt of a school construction grant for the reimbursement of costs incurred for roof improvements made to the Town's school.

TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

Town Grant Fund

The fund balance in the Town Grant Fund decreased by \$9,669 to \$18,166. This fund primarily accounts for cost reimbursement grants and revenues are typically recognized to the extent of expenditures incurred.

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 \$4,029,342 were authorized during the year. The actual change in fund balance on a budgetary basis was an decrease of \$2,119,112, resulting in a favorable budgetary variance of \$2,660,230. Revenues and other financing sources exceeded budgetary estimates by \$677,181, while expenditures and transfers out were less than budgetary estimates by \$1,983,049.

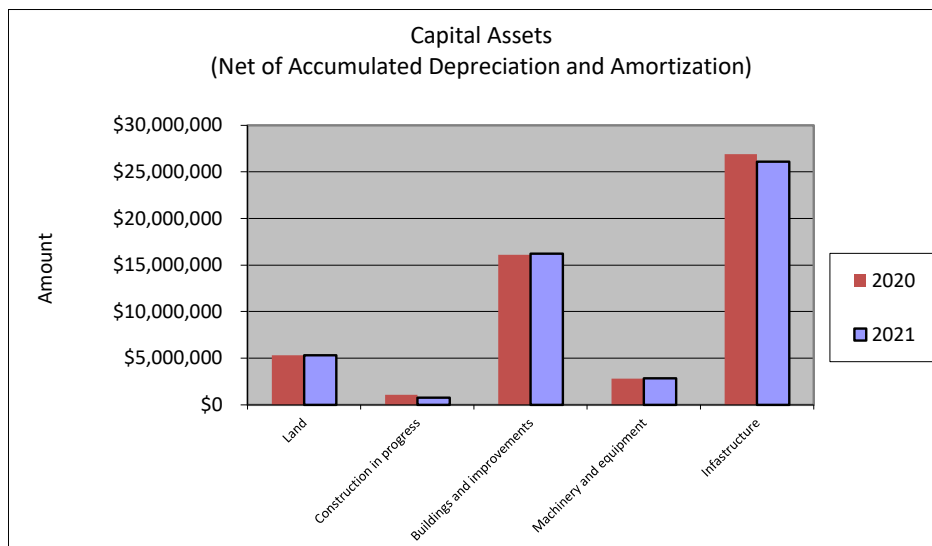
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets for its governmental activities as of June 30, 2021 totaled \$51,260,281 (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 \$926,028 during the year.

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

	<u>2021</u>	<u>2020</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 5,320,884	\$ 5,320,884	\$ -	0.0%
Construction in progress	774,205	1,067,979	(293,774)	-27.5%
Buildings and improvements	16,218,600	16,111,783	106,817	0.7%
Machinery and equipment	2,846,790	2,794,762	52,028	1.9%
Infrastructure	26,099,802	26,890,901	(791,099)	-2.9%
Totals	<u>\$ 51,260,281</u>	<u>\$ 52,186,309</u>	<u>\$ (926,028)</u>	-1.8%



TOWN OF EAST WINDSOR, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

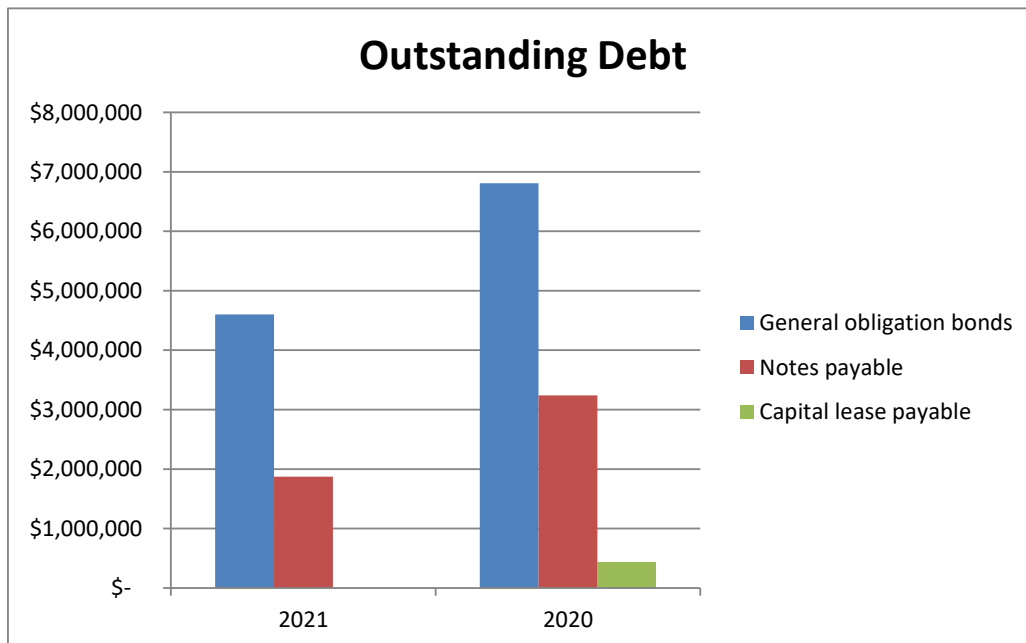
At the end of the current fiscal year, the Town had long-term bonded debt outstanding of \$4,600,000 and notes payable of \$1,872,198, all of which is backed by the full faith and credit of the government.

The Town's total debt decreased by \$3,998,687 or 38.2% during the current fiscal year. This decrease is due to schedule principal repayments and the defeasance of general obligation bonds in the amount of \$2,330,000 and the prepayments of a USDA Rural Development loan in the amount of \$1,318,580 and capital lease obligations in the amount of \$337,454.

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>2021</u>	<u>2020</u>	<u>\$ Variance</u>	<u>% Variance</u>
General obligation bonds	\$ 4,600,000	\$ 6,810,000	\$ (2,210,000)	-32.5%
Notes payable	1,872,198	3,238,791	(1,366,593)	-42.2%
Capital lease payable	-	422,094	(422,094)	-100.0%
Totals	<u>\$ 6,472,198</u>	<u>\$ 10,470,885</u>	<u>\$ (3,998,687)</u>	-38.2%



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, 2021

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 2022, 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.
- In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. The extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

All of these factors were considered in preparing the Town's budget for fiscal year 2022. The Town's fiscal year 2022 budget for the General Fund authorizes expenditure appropriations of \$41,826,779, which represents a 1.3% increase over the Town's original fiscal year 2021 budget. The Town assigned \$750,000 of its General Fund fund balance for spending in the 2022 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.

BASIC FINANCIAL STATEMENTS

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 22,547,744
Investments	365,591
Receivables:	
Property taxes and interest, net	1,077,950
User charges	118,607
Grants and contracts	326,521
Other	107,268
Other assets	7,134
Assessments	116,425
Capital assets:	
Non-depreciable	6,095,089
Depreciable, net	45,165,192
Total assets	75,927,521
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,420,338
OPEB related	478,581
Total deferred outflows of resources	1,898,919
LIABILITIES	
Accounts payable	1,085,987
Accrued liabilities	500,664
Deposits payable	598,783
Unearned revenue	2,706,707
Noncurrent liabilities:	
Due within one year	960,073
Due in more than one year	10,368,447
Total liabilities	16,220,661
DEFERRED INFLOWS OF RESOURCES	
Pension related	4,280,654
OPEB related	2,679,009
Total deferred inflows of resources	6,959,663
NET POSITION	
Net investment in capital assets	45,217,836
Restricted for:	
Educational scholarships	442,926
Housing rehabilitation loan program	39,106
Other programs	327,405
Unrestricted	8,618,843
Total net position	\$ 54,646,116

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, 2021

<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	\$ 2,817,712	\$ 882,461	\$ 188,849	\$ -	\$ (1,746,402)
Public safety	5,943,585	201,482	74,722	-	(5,667,381)
Public works	7,132,309	2,352,340	562,109	-	(4,217,860)
Community services	1,297,461	37,448	17,099	-	(1,242,914)
Education	34,227,576	1,233,617	15,357,699	141,529	(17,494,731)
Interest expense	262,349	-	-	-	(262,349)
Total governmental activities	<u>\$ 51,680,992</u>	<u>\$ 4,707,348</u>	<u>\$ 16,200,478</u>	<u>\$ 141,529</u>	<u>(30,631,637)</u>
General revenues:					
Property taxes, levied for general purposes					33,769,801
Grants and contributions not restricted to specific programs					589,933
Unrestricted investment earnings					26,110
Total general revenues					<u>34,385,844</u>
Change in net position					3,754,207
Net position - beginning, as originally reported					50,306,967
Cumulative effect of implementing new accounting standard (<i>see Note 1</i>)					584,942
Net position - beginning, as adjusted					<u>50,891,909</u>
Net position - ending					<u>\$ 54,646,116</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, 2021

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Town Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 14,327,194	\$ 2,921,079	\$ 650,730	\$ -	\$ 4,648,741	\$ 22,547,744
Investments	-	-	-	-	365,591	365,591
Receivables:						
Property taxes and interest, net	1,077,950	-	-	-	-	1,077,950
Assessments and user charges	-	-	-	-	235,032	235,032
Grants and contracts	-	-	-	8,668	317,853	326,521
Other	44,375	-	-	-	62,893	107,268
Due from other funds	1,205,846	-	-	2,018,877	481,273	3,705,996
Prepays and inventories	2,220	-	-	-	4,914	7,134
Total assets	<u>\$ 16,657,585</u>	<u>\$ 2,921,079</u>	<u>\$ 650,730</u>	<u>\$ 2,027,545</u>	<u>\$ 6,116,297</u>	<u>\$ 28,373,236</u>
LIABILITIES						
Accounts payable	\$ 1,039,036	\$ -	\$ -	\$ -	\$ 46,951	\$ 1,085,987
Salaries and benefits payable	445,373	-	-	-	34,818	480,191
Due to other funds	2,500,150	107,396	-	-	1,098,450	3,705,996
Deposits payable	598,783	-	-	-	-	598,783
Unearned revenue	184,362	-	-	2,009,379	512,966	2,706,707
Total liabilities	<u>4,767,704</u>	<u>107,396</u>	<u>-</u>	<u>2,009,379</u>	<u>1,693,185</u>	<u>8,577,664</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	921,725	-	-	-	235,032	1,156,757
Total deferred inflows of resources	<u>921,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,032</u>	<u>1,156,757</u>
FUND BALANCES						
Nonspendable:						
Prepays and inventories	2,220	-	-	-	4,914	7,134
Restricted	-	-	493,108	18,166	809,437	1,320,711
Committed for:						
Capital purposes	-	2,813,683	157,622	-	93,821	3,065,126
Other purposes	993,089	-	-	-	3,298,467	4,291,556
Assigned	1,132,789	-	-	-	-	1,132,789
Unassigned	8,840,058	-	-	-	(18,559)	8,821,499
Total fund balances	<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>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,657,585</u>	<u>\$ 2,921,079</u>	<u>\$ 650,730</u>	<u>\$ 2,027,545</u>	<u>\$ 6,116,297</u>	<u>\$ 28,373,236</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, 2021

Total fund balances for governmental funds	\$	18,638,815
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.		51,260,281
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.		1,156,757
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	\$ (4,600,000)	
Unamortized bond premiums	(63,355)	
Notes	(1,872,198)	
Accrued interest	(20,473)	
Other long-term liabilities:		
Net pension liability	(2,573,972)	
Net OPEB liability	(598,222)	
Heart and hypertension	(274,137)	
Compensated absences	<u>(1,346,636)</u>	
		(11,348,993)
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>(5,060,744)</u>
Net position of governmental activities	\$	<u><u>54,646,116</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, 2021

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Town Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 33,804,448	\$ -	\$ -	-	\$ -	\$ 33,804,448
Intergovernmental	9,578,734	-	141,529	\$ 527,695	2,579,711	12,827,669
Charges for goods and services	2,026,225	21,341	-	-	2,632,247	4,679,813
Interest income	20,395	3,565	278	-	1,872	26,110
Other	-	33,400	-	4,028	47,706	85,134
Total revenues	<u>45,429,802</u>	<u>58,306</u>	<u>141,807</u>	<u>531,723</u>	<u>5,261,536</u>	<u>51,423,174</u>
EXPENDITURES						
Current:						
General government	2,094,481	-	-	176,552	38,753	2,309,786
Public safety	4,263,644	-	-	59,468	238,388	4,561,500
Public works	3,121,384	-	-	-	1,869,961	4,991,345
Community services	885,220	-	-	4,028	104,234	993,482
Employee benefits	2,965,520	-	-	-	-	2,965,520
Education	26,869,857	-	-	-	2,897,679	29,767,536
Capital outlays	479,219	1,026,800	-	301,344	140,711	1,948,074
Debt service	2,723,309	-	-	-	-	2,723,309
Total expenditures	<u>43,402,634</u>	<u>1,026,800</u>	<u>-</u>	<u>541,392</u>	<u>5,289,726</u>	<u>50,260,552</u>
Excess (deficiency) of revenues over expenditures	2,027,168	(968,494)	141,807	(9,669)	(28,190)	1,162,622
OTHER FINANCING SOURCES (USES)						
Payment to bond escrow agent	(1,708,255)	-	-	-	-	(1,708,255)
Transfers in	70,310	1,467,935	-	-	180,243	1,718,488
Transfers out	(1,629,178)	-	-	-	(89,310)	(1,718,488)
Total other financing sources (uses)	<u>(3,267,123)</u>	<u>1,467,935</u>	<u>-</u>	<u>-</u>	<u>90,933</u>	<u>(1,708,255)</u>
Net change in fund balances	(1,239,955)	499,441	141,807	(9,669)	62,743	(545,633)
Fund balances - beginning, as adjusted (<i>see Note 1</i>)	<u>12,208,111</u>	<u>2,314,242</u>	<u>508,923</u>	<u>27,835</u>	<u>4,125,337</u>	<u>19,184,448</u>
Fund balances - ending	<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>

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, 2021

Net change in fund balances - total governmental funds \$ (545,633)

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation expense exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 1,595,613	
Depreciation and amortization expense	(2,521,641)	
Net adjustment		(926,028)

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. (41,690)

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:

Principal repayments:		
Bonds	2,210,000	
Notes	1,366,593	
Capital leases	422,094	
Amortization of bond premiums	137,681	
		4,136,368

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

Compensated absences	(36,466)	
Accrued interest	32,847	
Heart and hypertension	42,880	
Net pension liability	5,007,375	
Net OPEB liability	2,851,672	
		7,898,308

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. (6,767,118)

Change in net position of governmental activities \$ 3,754,207

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

TOWN OF EAST WINDSOR, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Property taxes	\$ 33,451,727	\$ 33,451,727	\$ 33,804,448	\$ 352,721
Intergovernmental	6,357,112	6,357,112	6,422,705	65,593
Local revenues	579,220	579,220	897,382	318,162
Revenues from use of money	150,000	150,000	20,395	(129,605)
Total revenues	<u>40,538,059</u>	<u>40,538,059</u>	<u>41,144,930</u>	<u>606,871</u>
EXPENDITURES				
Current:				
General government	2,235,182	2,225,738	2,080,723	(145,015)
Public safety	4,339,986	4,412,755	4,289,934	(122,821)
Public works	3,473,075	3,521,401	3,496,803	(24,598)
Community services	988,088	959,948	889,818	(70,130)
Employee benefits	3,367,268	2,980,379	2,965,520	(14,859)
Contingency	95,000	2,405	-	(2,405)
Capital improvement	1,014,668	1,883,603	1,882,979	(624)
Debt service	1,007,865	4,092,865	3,997,520	(95,345)
Total Town	<u>16,521,132</u>	<u>20,079,094</u>	<u>19,603,297</u>	<u>(475,797)</u>
Current:				
Education	24,700,000	24,700,000	23,192,748	(1,507,252)
Total expenditures	<u>41,221,132</u>	<u>44,779,094</u>	<u>42,796,045</u>	<u>(1,983,049)</u>
Excess (deficiency) of revenues over expenditures	(683,073)	(4,241,035)	(1,651,115)	2,589,920
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	750,000	4,779,342	-	(4,779,342)
Transfers in	-	7,000	77,310	70,310
Transfers out	(66,927)	(545,307)	(545,307)	-
Total other financing sources (uses)	<u>683,073</u>	<u>4,241,035</u>	<u>(467,997)</u>	<u>(4,709,032)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,119,112)</u>	<u>\$ (2,119,112)</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, 2021

	Pension and Other Post- Employment Benefits Trust Funds
ASSETS	
Cash and cash equivalents	\$ 927,051
Investments:	
Mutual funds	37,539,467
Fixed income securities	129,058
	37,668,525
Total assets	38,595,576
LIABILITIES	
Payables	51,753
Total liabilities	51,753
NET POSITION	
Restricted for:	
Pension benefits	36,728,749
Other Post-employment benefits	1,815,074
	\$ 38,543,823

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, 2021

	Pension and Other Post- Employment Benefits Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 1,492,813
Plan members	314,202
Total contributions	1,807,015
Investment earnings:	
Interest and dividends	483,286
Net change in the fair value of investments, net of fees	6,947,422
Net investment earnings	7,430,708
Total additions	9,237,723
DEDUCTIONS	
Benefit payments	1,772,278
Administrative expenses	41,005
Total deductions	1,813,283
Change in net position	7,424,440
Net position - beginning	31,119,383
Net position - ending	\$ 38,543,823

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The Town of East Windsor, Connecticut was incorporated in 1768 and operates in accordance with the provisions of its charter, which was revised effective November 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 Program (the "OPEB Plan"), which is a single-employer defined benefit other post-employment benefits plan. The OPEB Plan does not issue stand-alone financial statements and is a part of the Town's financial reporting entity. As such, balances of the OPEB Plan are accounted for in the fiduciary fund financial statements as an other post-employment benefits trust fund.

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

Related Organizations

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

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, 2021, 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, 2021.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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, 2021

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

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

The pension and other post-employment benefits trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Implementation of Accounting Standards

Effective July 1, 2020, the Town implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* (Statement No. 84). The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Based on the application of Statement No. 84, the Town has recharacterized certain activities previously reported as fiduciary activities. The Town has reported the cumulative effect of applying Statement No. 84 as a restatement of its beginning net position and fund balances as follows:

	Governmental Activities	Governmental Funds
Net position/Fund balance - beginning, as originally reported	\$ 50,306,967	\$ 18,599,506
Recharacterization of certain activities previously reported as fiduciary activities	584,942	584,942
Net position/Fund balance - beginning, as adjusted	\$ 50,891,909	\$ 19,184,448

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

Cash and Cash Equivalents

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

Investments

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

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

Inventories

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

Property Taxes

Property taxes are assessed as of October 1. Taxes are billed in July and due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and due in one installment, July 1. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest of \$123,000 as of June 30, 2021.

Sewer Assessment and Usage Charges

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

Loans Receivable

The Town administers a Rehabilitation Loan Program. The loans bear an interest rate of 0.0%. Repayment of the loans is deferred, but the loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. Loans receivable under this program totaled \$24,817 as of June 30, 2021.

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$7,000 for machinery and equipment, \$20,000 for building improvements and \$100,000 for infrastructure and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

Unearned Revenue

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

Deferred Outflows and Inflows of Resources

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

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

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

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

Compensated Absences *(Continued)*

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

Long-term Obligations

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

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

Net Position and Fund Balance

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

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

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

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

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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

Net Position and Fund Balance *(Continued)*

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

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

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, the Town uses restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned. It is the Town's policy to maintain a fund balance in the General Fund between 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.

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Interfund Transfers

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

Interfund Reimbursements

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

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2 - BUDGETARY INFORMATION

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

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

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis").

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses, net</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 41,144,930	\$ 42,796,045	\$ (467,997)	\$ (2,119,112)
"On-behalf" payments - State Teachers' Retirement Fund	3,156,029	3,156,029	-	-
Change in encumbrances	-	(396,393)	-	396,393
Certain revenues and expenses presented net for budgetary purposes	1,103,701	1,103,701	-	-
Transfers recorded as an expenditure for budgetary purposes	-	(1,562,251)	(1,562,251)	-
Payment to bond escrow agent	-	(1,708,255)	(1,708,255)	-
Budgetary perspective differences - funds combined for GAAP financial reporting purposes:				
BOE Nonlapsing Fund	-	-	478,380	478,380
Storm Emergency Fund	-	-	(7,000)	(7,000)
Warehouse Point Fire Fund	25,142	13,758	-	11,384
GAAP basis	<u>\$ 45,429,802</u>	<u>\$ 43,402,634</u>	<u>\$ (3,267,123)</u>	<u>\$ (1,239,955)</u>

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash and cash equivalents as of June 30, 2021 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 22,547,744
Add: investments considered cash deposits for disclosure purposes	66,392
Less: cash equivalents considered investments for disclosure purposes	<u>(11,624,783)</u>
	<u>10,989,353</u>
Statement of fiduciary net position:	
Cash and cash equivalents	927,051
Less: cash equivalents considered investments for disclosure purposes	<u>(927,051)</u>
	<u>-</u>
	<u>\$ 10,989,353</u>

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Cash Deposits *(Continued)*

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$10,495,920 of the Town's bank balance of \$11,745,920 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 9,446,328
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,049,592
	<u>\$ 10,495,920</u>

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

Investments

A reconciliation of the Town's investments as of June 30, 2021 is as follows:

Government-wide statement of net position:	
Investments	\$ 365,591
Less: investments considered cash equivalents for disclosure purposes	(66,392)
Add: cash equivalents considered investments for disclosure purposes	11,624,783
	<u>11,923,982</u>
Statement of fiduciary net position:	
Investments	37,668,525
Add: cash equivalents considered investments for disclosure purposes	927,051
	<u>38,595,576</u>
	<u>\$ 50,519,558</u>

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Investments (Continued)

As of June 30, 2021, the Town's investments consisted of the following:

<u>Investment type</u>	<u>Valuation Basis</u>	<u>Value</u>	<u>Investment Maturities (In Years)</u>	
			<u>Less Than 1</u>	<u>1 to 5</u>
Debt Securities:				
<i>Governmental Activities:</i>				
Short Term Investment Fund (STIF)	Net asset value	\$ 11,624,783	\$ 11,624,783	\$ -
<i>Fiduciary Funds:</i>				
Money market mutual funds	Net asset value	927,051	927,051	-
Fixed income securities	Fair value	129,058	-	129,058
		<u>12,680,892</u>	<u>\$ 12,551,834</u>	<u>\$ 129,058</u>
Other investments:				
<i>Governmental Activities:</i>				
Mutual funds	Fair value	\$ 299,199		
<i>Fiduciary Funds:</i>				
Mutual funds	Fair value	37,539,467		
		<u>\$ 50,519,558</u>		

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

Interest Rate Risk

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

Credit Risk

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

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Investments (Continued)

Credit Risk *(Continued)*

The Town's investment in debt securities were rated by Standard & Poor's as follows at June 30, 2021:

<u>Investment type</u>	<u>Value</u>	<u>AAA</u>	<u>A</u>	<u>Unrated</u>
Debt Securities:				
STIF	\$ 11,624,783	\$ 11,624,783	\$ -	\$ -
Money market mutual funds	927,051	-	-	927,051
Fixed income securities	129,058	-	129,058	-
	<u>\$ 12,680,892</u>	<u>\$ 11,624,783</u>	<u>\$ 129,058</u>	<u>\$ 927,051</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.

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, 2021, 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 4 - FAIR VALUE MEASUREMENTS

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - FAIR VALUE MEASUREMENTS *(Continued)*

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2021, by level within the fair value hierarchy are presented in the table below.

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 37,838,666	\$ -	\$ -	\$ 37,838,666
Fixed income securities	-	129,058	-	129,058
	<u>\$ 37,838,666</u>	<u>\$ 129,058</u>	<u>\$ -</u>	37,967,724
		Investments measured at NAV		<u>12,551,834</u>
				<u>\$ 50,519,558</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 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 consisted of the following.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 5,320,884	\$ -	\$ -	\$ -	\$ 5,320,884
Construction in progress	1,067,979	641,359	-	(935,133)	774,205
Total capital assets, not being depreciated	<u>6,388,863</u>	<u>641,359</u>	<u>-</u>	<u>(935,133)</u>	<u>6,095,089</u>
Capital assets, being depreciated:					
Buildings and improvements	38,650,039	117,531	-	678,886	39,446,456
Machinery and equipment	10,555,298	469,715	(248,394)	158,880	10,935,499
Infrastructure	51,792,549	367,008	-	97,367	52,256,924
Total capital assets, being depreciated	<u>100,997,886</u>	<u>954,254</u>	<u>(248,394)</u>	<u>935,133</u>	<u>102,638,879</u>
Less accumulated depreciation:					
Buildings and improvements	22,538,256	689,600	-	-	23,227,856
Machinery and equipment	7,760,536	576,567	(248,394)	-	8,088,709
Infrastructure	24,901,648	1,255,474	-	-	26,157,122
Total accumulated depreciation	<u>55,200,440</u>	<u>2,521,641</u>	<u>(248,394)</u>	<u>-</u>	<u>57,473,687</u>
Total capital assets, being depreciated, net	<u>45,797,446</u>	<u>(1,567,387)</u>	<u>-</u>	<u>935,133</u>	<u>45,165,192</u>
Governmental activities capital assets, net	<u>\$ 52,186,309</u>	<u>\$ (926,028)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,260,281</u>

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS *(Continued)*

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

Governmental Activities:	
Public safety	\$ 248,753
Public works	1,618,925
Community services	37,763
Education	616,200
Total depreciation and amortization expense	<u>\$ 2,521,641</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds		
General Fund	Capital and Nonrecurring Fund	\$ 107,396
	Nonmajor Governmental Funds	<u>1,098,450</u>
		<u>1,205,846</u>
Town Grant Fund	General Fund	<u>2,018,877</u>
Nonmajor Governmental Funds	General Fund	<u>481,273</u>
		<u>\$ 3,705,996</u>

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

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ <u>70,310</u>
Capital and Nonrecurring Fund	General Fund	1,448,935
	Nonmajor Governmental Funds	<u>19,000</u>
		<u>1,467,935</u>
Nonmajor Governmental Funds	General Fund	<u>180,243</u>
		<u>\$ 1,718,488</u>

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - INTERFUND TRANSFERS *(Continued)*

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

NOTE 8 - LONG-TERM DEBT

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

Changes in long-term debt for the year ended June 30, 2021 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 6,810,000	\$ -	\$ (2,210,000)	\$ 4,600,000	\$ 285,000
Unamortized premium	201,036	-	(137,681)	63,355	-
Total bonds payable	7,011,036	-	(2,347,681)	4,663,355	285,000
Capital leases from direct borrowings	422,094	-	(422,094)	-	-
Notes payable from direct borrowings	3,238,791	-	(1,366,593)	1,872,198	39,073
	<u>\$ 10,671,921</u>	<u>\$ -</u>	<u>\$ (4,136,368)</u>	<u>\$ 6,535,553</u>	<u>\$ 324,073</u>

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

General Obligation Bonds and Notes Payable from Direct Borrowings

A summary of general obligation bonds and note payable outstanding at June 30, 2021 is 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>
Governmental Activities					
Bonds payable:					
General Obligation Bonds	2016	\$ 5,740,000	2.0% - 3.0%	2037	<u>\$ 4,600,000</u>
Notes payable from direct borrowings:					
Rural Development Loan	2012	2,180,000	2.375%	2052	<u>\$ 1,872,198</u>

Debt Defeasance

During the year ended June 30, 2021, the Town defeased general obligation bonds in the amount of \$2,330,000 and prepaid a USDA Rural Development loan in the amount of \$1,318,580 using existing resources. The debt defeasance resulted in a total reduction of future debt service of approximately \$756,000.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

General Obligation Bonds and Notes Payable from Direct Borrowings *(Continued)*

Annual debt service requirements to maturity on general obligation bonds and the note payables from direct borrowings are as follows as of June 30, 2021:

Year ending June 30:	Governmental Activities					
	Bonds Payable		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 285,000	\$ 98,270	\$ 39,073	\$ 51,485	\$ 324,073	\$ 149,755
2023	285,000	89,720	40,147	50,411	325,147	140,131
2024	285,000	82,595	41,251	49,307	326,251	131,902
2025	285,000	76,895	42,385	48,173	327,385	125,068
2026	285,000	71,195	43,551	47,007	328,551	118,202
2027-2031	1,425,000	270,475	236,393	216,397	1,661,393	486,872
2032-2036	1,450,000	119,973	270,735	182,055	1,720,735	302,028
2037-2041	300,000	3,600	310,064	142,726	610,064	146,326
2042-2046	-	-	355,107	97,683	355,107	97,683
2047-2051	-	-	406,696	46,094	406,696	46,094
2052	-	-	86,796	2,387	86,796	2,387
	<u>\$ 4,600,000</u>	<u>\$ 812,723</u>	<u>\$ 1,872,198</u>	<u>\$ 933,725</u>	<u>\$ 6,472,198</u>	<u>\$ 1,746,448</u>

Statutory Debt Limitations

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2021.

Authorized, Unissued Debt

As of June 30, 2021, the Town had no authorized, unissued debt.

NOTE 9 - OTHER LONG-TERM LIABILITIES

Changes in other long-term liabilities for the year ended June 30, 2021 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,310,170	\$ 48,428	\$ (11,962)	\$ 1,346,636	\$ 636,000
Heart and hypertension obligations	317,017	-	(42,880)	274,137	-
Net pension liability <i>(see Note 10)</i>	7,581,347	-	(5,007,375)	2,573,972	-
Net OPEB liability <i>(see Note 11)</i>	3,449,894	-	(2,851,672)	598,222	-
	<u>\$ 12,658,428</u>	<u>\$ 48,428</u>	<u>\$ (7,913,889)</u>	<u>\$ 4,792,967</u>	<u>\$ 636,000</u>

Other long-term liabilities are generally funded by the General Fund. The Town has established a reserve for heart and hypertension obligations. Amounts held in reserve for such obligations totaled \$350,727 as of June 30, 2021.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 9 - OTHER LONG-TERM LIABILITIES *(Continued)*

Heart and Hypertension Obligations

The Town's estimated liability for heart and hypertension obligations as of June 30, 2021 totaled \$274,137. 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, 2021 will change in the near term.

NOTE 10 - PENSION PLANS

Defined Benefit Plan

The Town is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, balances of the Plan as of and for the year ended June 30, 2021 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.

Plan Membership

Membership of the Plan consisted of the following as of July 1, 2020, the date of the most recent actuarial valuation:

Retirees and beneficiaries currently receiving benefits	102
Vested terminated employees	144
Active employees	186
	<u>432</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 based on the applicable bargaining unit.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Benefit Provisions

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

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

Summary of Significant Accounting Policies

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

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

Rate of return - For the year ended June 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 24.12%. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

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

Concentrations

As of June 30, 2021, more than 10% of the 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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Net Pension Liability

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

Total pension liability		\$ 39,302,721
Plan fiduciary net position		<u>(36,728,749)</u>
Town's net pension liability		<u><u>\$ 2,573,972</u></u>

Plan fiduciary net position as a percentage of the total pension liability	93.45%
---	--------

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2021 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2020	\$ 37,308,631	\$ 29,727,284	\$ 7,581,347
Changes for the year:			
Service cost	796,746	-	796,746
Interest	2,373,597	-	2,373,597
Actuarial (gains) losses	596,025	-	596,025
Contributions - employer	-	1,413,241	(1,413,241)
Contributions - employee	-	314,202	(314,202)
Net investment income	-	7,083,805	(7,083,805)
Benefit payments, including refunds	(1,772,278)	(1,772,278)	-
Administrative expense	-	(37,505)	37,505
Net changes	<u>1,994,090</u>	<u>7,001,465</u>	<u>(5,007,375)</u>
Balance as of June 30, 2021	<u><u>\$ 39,302,721</u></u>	<u><u>\$ 36,728,749</u></u>	<u><u>\$ 2,573,972</u></u>

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Net Pension Liability *(Continued)*

Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of July 1, 2020, 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 as of June 30, 2020 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%	5.72%
Fixed Income	40.00%	3.48%

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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Net pension liability (asset)	\$ 7,351,714	\$ 2,573,972	\$ (1,522,224)

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS *(Continued)*

Defined Benefit Plan *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources

Pension expense for the year ended June 30, 2021 totaled \$718,530. At June 30, 2021, the Town reported deferred outflows and inflows of resources related to pensions 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	\$ 182,001	\$ (78,957)	\$ 103,044
Changes of assumptions	1,238,337	-	1,238,337
Net difference between projected and actual earnings on pension plan investments	-	(4,201,697)	(4,201,697)
Total	<u>\$ 1,420,338</u>	<u>\$ (4,280,654)</u>	<u>\$ (2,860,316)</u>

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

Year ended June 30,	
2022	\$ (560,407)
2023	(635,734)
2024	(725,497)
2025	(938,678)
	<u>\$ (2,860,316)</u>

Payable to the Pension Plan

At June 30, 2021, 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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - 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 July 1, 1992, each teacher was required to contribute 6.0% of pensionable salary for the pension benefit. 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, 2021

NOTE 10 - 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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net pension liability at June 30, 2020 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 Comprehensive Annual Financial Report can be obtained at 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 2020 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, 2020, 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>\$ 18,846,090,000</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>\$ 48,045,000</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$3,081,658 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, 2021.

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 \$6,882,150 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, 2021.

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%.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

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.

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%
	100.0%	

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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Town and Board of Education Plan

Plan Description

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

Plan Provisions

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

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

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, 2020, the date of the latest actuarial valuation:

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

Funding Policy

Contribution requirements of the plan members and the Town are established under the provisions of various collective bargaining agreements and in accordance with the General Statutes of the State of Connecticut. The Town began funding the benefits in a trust fund during the year ended June 30, 2012. Town contributions totaled \$390,895 for the year ended June 30, 2021 and included \$79,572 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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Town and Board of Education Plan *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

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, 2021 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.

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

Concentrations

As of June 30, 2021, more than 10% 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.

Net OPEB Liability

The components of the Town's net OPEB liability related to its OPEB Plan as of June 30, 2021, was as follows:

Total OPEB liability	\$ 2,413,296
Plan fiduciary net position	(1,815,074)
Town's net OPEB liability	<u>\$ 598,222</u>
Plan fiduciary net position as a percentage of the total OPEB liability	75.21%

Actuarial Methods and Assumptions

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

TOWN OF EAST WINDSOR, CONNECTICUT
 NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Town and Board of Education Plan (Continued)

Actuarial Methods and Assumptions *(Continued)*

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:

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

Changes in Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2020	\$ 4,841,993	\$ 1,392,099	\$ 3,449,894
Changes for the year:			
Service cost	68,874	-	68,874
Interest	309,251	-	309,251
Actuarial (gains) losses	(2,495,508)	-	(2,495,508)
Contributions - employer	-	390,895	(390,895)
Net investment income	-	346,903	(346,903)
Changes of assumptions	-	-	-
Benefit payments, including refunds	(311,314)	(311,314)	-
Administrative expense	-	(3,509)	3,509
Net changes	(2,428,697)	422,975	(2,851,672)
Balance as of June 30, 2021	\$ 2,413,296	\$ 1,815,074	\$ 598,222

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

Town and Board of Education Plan (Continued)

Changes in Total 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	\$ 833,387		\$ 598,222		\$ 395,991

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	\$ 335,116		\$ 598,222		\$ 902,171

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized an OPEB benefit of \$26,167. As of June 30, 2021, 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	\$ 478,581	\$ (2,002,405)	\$ (1,523,824)
Changes of assumptions	-	(478,234)	(478,234)
Net difference between projected and actual earnings on pension plan investments	-	(198,370)	(198,370)
Total	<u>\$ 478,581</u>	<u>\$ (2,679,009)</u>	<u>\$ (2,200,428)</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,	
2022	\$ (317,637)
2023	(314,228)
2024	(371,400)
2025	(387,983)
2026	(337,160)
Thereafter	<u>(472,020)</u>
	<u>\$ (2,200,428)</u>

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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.

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, 2021

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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net pension liability at June 30, 2020 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 Comprehensive Annual Financial Report can be obtained at 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 2020 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, 2021

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, 2020, 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>\$ 2,810,895,000</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>\$ 7,166,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$74,371 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, 2021.

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 collective OPEB expense attributed to the Town totaled \$331,008 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, 2021.

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, 2021

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:

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

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, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase 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, 2021

NOTE 12 - FUND BALANCE

The various components of fund balance as of June 30, 2021 are as follows:

	General Fund	Capital and Nonrecurring Fund	Capital Projects Fund	Town Grant Fund	Other Funds	Total
Nonspendable - prepaids and inventories	\$ 2,220	\$ -	\$ -	\$ -	\$ 4,914	\$ 7,134
Restricted for:						
Small Cities grant program	-	-	-	-	39,106	39,106
Town programs	-	-	-	18,166	195,886	214,052
Maintenance of cemeteries	-	-	-	-	5,218	5,218
Student activities and scholarships	-	-	-	-	569,227	569,227
Roads and dams	-	-	493,108	-	-	493,108
	-	-	493,108	18,166	809,437	1,320,711
Committed for:						
Capital purposes	-	2,813,683	157,622	-	93,821	3,065,126
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	-	-	-	-	119,233	119,233
Police	-	-	-	-	93,056	93,056
Sewer operations	-	-	-	-	1,824,960	1,824,960
Assessments - debt service	-	-	-	-	1,022,481	1,022,481
School cafeteria	-	-	-	-	159,822	159,822
Youth services	-	-	-	-	54,387	54,387
Other purposes	-	-	-	-	24,528	24,528
	993,089	-	-	-	3,298,467	4,291,556
Assigned to:						
Use in fiscal year 2022 budget	750,000	-	-	-	-	750,000
Education encumbrances	382,789	-	-	-	-	382,789
	1,132,789	-	-	-	-	1,132,789
Unassigned	8,840,058	-	-	-	(18,559)	8,821,499
	<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>

Deficit Fund Balances

The Family Resource Center Fund, a nonmajor governmental fund, has an ending fund balance deficit of \$18,559 as of June 30, 2021. This deficit is expected to be eliminated from future revenue sources and or transfers in from the General Fund.

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, 2021 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, 2021

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 14 - COMMITMENTS AND CONTINGENCIES

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

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will be immaterial.

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. The extent to which COVID-19 will affect the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)*

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement that relate to the accounting and reporting of Section 457 plans are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 797,000	\$ 1,049,000	\$ 875,000	\$ 901,000	\$ 801,000	\$ 778,000	\$ 668,000	\$ 667,000
Interest	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	122,000	-	-	-	-	-	-	-
Differences between expected and actual experience	(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	(1,772,000)	(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	1,994,000	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	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	39,303,000	37,309,000	34,551,000	32,743,000	30,890,000	27,192,000	25,162,000	23,972,000
Plan fiduciary net position								
Contributions - employer	1,414,000	1,345,000	1,307,000	1,229,000	967,000	913,000	959,000	939,000
Contributions - members	314,000	302,000	298,000	295,000	290,000	300,000	252,000	272,000
Net investment income	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	(1,772,000)	(1,591,000)	(1,498,000)	(1,337,000)	(1,258,000)	(1,126,000)	(1,042,000)	(1,007,000)
Administrative expense	(39,000)	(31,000)	(22,000)	(26,000)	(24,000)	(38,000)	(40,000)	(30,000)
Net change in plan fiduciary net position	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	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	36,729,000	29,728,000	27,964,000	26,307,000	23,865,000	21,696,000	21,123,000	20,077,000
Town's net pension liability	\$ 2,574,000	\$ 7,581,000	\$ 6,587,000	\$ 6,436,000	\$ 7,025,000	\$ 5,496,000	\$ 4,039,000	\$ 3,895,000
Plan fiduciary net position as a percentage of total pension liability	93.45%	79.68%	80.94%	80.34%	77.26%	79.79%	83.95%	83.75%
Covered payroll	\$ 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	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 EIGHT FISCAL YEARS*

	<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	\$ 1,413,241	\$ 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>1,413,241</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>\$ (20,056)</u>	<u>\$ (50,400)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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	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	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 SEVEN FISCAL YEARS*
(Rounded to nearest thousand)

	<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%
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>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>\$ 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	\$ 11,097,000	\$ 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%
Plan fiduciary net position as a percentage of the total collective pension liability	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 FIVE FISCAL YEARS*
(Rounded to Nearest Thousand)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 69,000	\$ 114,000	\$ 159,000	\$ 121,000	\$ 113,000
Interest	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	(311,000)	(320,000)	(306,000)	(284,000)	(230,000)
Net change in total OPEB liability	<u>(2,429,000)</u>	<u>100,000</u>	<u>497,000</u>	<u>105,000</u>	<u>143,000</u>
Total OPEB liability - beginning	4,842,000	4,742,000	4,245,000	4,140,000	3,997,000
Total OPEB liability - ending	<u>2,413,000</u>	<u>4,842,000</u>	<u>4,742,000</u>	<u>4,245,000</u>	<u>4,140,000</u>
Plan fiduciary net position					
Contributions	391,000	445,000	436,000	349,000	351,000
Net investment income	347,000	73,000	69,000	78,000	73,000
Benefit payments, including refunds	(311,000)	(320,000)	(306,000)	(284,000)	(230,000)
Administrative expense	(3,000)	(27,000)	(5,000)	(23,000)	(4,000)
Net change in plan fiduciary net position	<u>424,000</u>	<u>171,000</u>	<u>194,000</u>	<u>120,000</u>	<u>190,000</u>
Plan fiduciary net position - beginning	1,392,000	1,221,000	1,027,000	907,000	717,000
Plan fiduciary net position - ending	<u>1,816,000</u>	<u>1,392,000</u>	<u>1,221,000</u>	<u>1,027,000</u>	<u>907,000</u>
Town's net OPEB liability	<u>\$ 597,000</u>	<u>\$ 3,450,000</u>	<u>\$ 3,521,000</u>	<u>\$ 3,218,000</u>	<u>\$ 3,233,000</u>
Plan fiduciary net position as a percentage of total OPEB liability	75.26%	28.75%	25.75%	24.19%	21.91%
Covered payroll	\$ 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	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 FIVE FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 405,936	\$ 399,903	\$ 350,117	\$ 337,621	\$ 297,826
Contributions in relation to the actuarially determined contribution:	390,886	444,902	436,469	348,860	351,387
Contribution deficiency	<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	\$ 19,526,175	\$ 19,526,175	\$ 19,046,175	\$ 19,046,175
Contributions as a percentage of covered payroll	2.00%	2.28%	2.24%	1.83%	1.84%
Annual money-weighted rate of return, net of investment expense	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 FOUR FISCAL YEARS*
(Rounded to Nearest Thousand)

	<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%
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>7,166,000</u>	<u>7,004,039</u>	<u>6,922,000</u>	<u>8,824,000</u>
Total	<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	\$ 11,097,000	\$ 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%
Plan fiduciary net position as a percentage of the total collective OPEB liability	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, 2021

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

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2020.

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

Assumption Changes - The discount rate was decreased from 6.375% to 6.25% from the prior measurement date.

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

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

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

Methods and assumptions used to determine contribution rates for 2021 are as follows:

Actuarial cost method:	Projected Unit Credit
Amortization method:	Level percent of payroll
Remaining amortization period:	Closed 10 years
Asset valuation method:	Market value
Investment rate of return:	6.375%
Salary increases:	3.50%

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

NOTE 3 - 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.

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

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 have been no changes in benefit terms that have had a significant effect on the measurement of the Town's collective net pension liability reported as of June 30, 2021.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the Town's collective net pension liability reported as of June 30, 2021.

- a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

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

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2020.

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

Assumption Changes - The discount rate was decreased from 6.5% to 6.25% from the prior measurement date. In addition, the medical trend rates were decreased from 5.85% - 4.40% to 5.30% -4.10% from the prior measurement date.

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

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

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

TOWN OF EAST WINDSOR, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2021.

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Payroll
Remaining amortization period:	18 years, closed
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return	6.50%
Discount rate	6.50%
Inflation rate	2.75%
Healthcare cost trend rate:	Initial 5.62%
	Ultimate 4.40%

NOTE 6 - 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, 2021.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the Town's collective net OPEB liability reported as of June 30, 2021.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the Town's collective net OPEB liability reported as of June 30, 2021.

- a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET - GENERAL FUND
AS OF JUNE 30, 2021

	General Fund	Heart & Hypertension Fund	Storm Emergency Fund	Warehouse Point Fire Fund	BOE Nonlapsing Fund	Eliminations	Combined General Fund
ASSETS							
Cash and cash equivalents	\$ 14,327,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,327,194
Receivables:							
Property taxes and interest, net	1,077,950	-	-	-	-	-	1,077,950
Other	43,779	-	-	596	-	-	44,375
Due from other funds	1,205,846	350,727	163,982	7,914	478,380	(1,001,003)	1,205,846
Other assets	2,220	-	-	-	-	-	2,220
Total assets	<u>\$ 16,656,989</u>	<u>\$ 350,727</u>	<u>\$ 163,982</u>	<u>\$ 8,510</u>	<u>\$ 478,380</u>	<u>\$ (1,001,003)</u>	<u>\$ 16,657,585</u>
LIABILITIES							
Accounts payable	\$ 1,039,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,039,036
Salaries and benefits payable	445,373	-	-	-	-	-	445,373
Due to other funds	3,501,153	-	-	-	-	(1,001,003)	2,500,150
Deposits payable	598,783	-	-	-	-	-	598,783
Unearned revenue	184,362	-	-	-	-	-	184,362
Total liabilities	<u>5,768,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,001,003)</u>	<u>4,767,704</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	921,725	-	-	-	-	-	921,725
FUND BALANCES							
Nonspendable	2,220	-	-	-	-	-	2,220
Committed	-	350,727	163,982	-	478,380	-	993,089
Assigned	1,132,789	-	-	-	-	-	1,132,789
Unassigned	8,831,548	-	-	8,510	-	-	8,840,058
Total fund balances	<u>9,966,557</u>	<u>350,727</u>	<u>163,982</u>	<u>8,510</u>	<u>478,380</u>	<u>-</u>	<u>10,968,156</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,656,989</u>	<u>\$ 350,727</u>	<u>\$ 163,982</u>	<u>\$ 8,510</u>	<u>\$ 478,380</u>	<u>\$ (1,001,003)</u>	<u>\$ 16,657,585</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Heart & Hypertension Fund	Storm Emergency Fund	Warehouse Point Fire Fund	BOE Nonlapsing Fund	Eliminations	Combined General Fund
REVENUES							
Property taxes	\$ 33,804,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,804,448
Intergovernmental	9,578,734	-	-	-	-	-	9,578,734
Charges for services	2,001,083	-	-	25,142	-	-	2,026,225
Interest income	20,395	-	-	-	-	-	20,395
Total revenues	<u>45,404,660</u>	<u>-</u>	<u>-</u>	<u>25,142</u>	<u>-</u>	<u>-</u>	<u>45,429,802</u>
EXPENDITURES							
Current:							
General government	2,080,723	-	-	13,758	-	-	2,094,481
Public safety	4,263,644	-	-	-	-	-	4,263,644
Public works	3,121,384	-	-	-	-	-	3,121,384
Community services	885,220	-	-	-	-	-	885,220
Employee benefits	2,965,520	-	-	-	-	-	2,965,520
Education	26,869,857	-	-	-	-	-	26,869,857
Capital outlays	479,219	-	-	-	-	-	479,219
Debt service	2,723,309	-	-	-	-	-	2,723,309
Total expenditures	<u>43,388,876</u>	<u>-</u>	<u>-</u>	<u>13,758</u>	<u>-</u>	<u>-</u>	<u>43,402,634</u>
Excess (deficiency) of revenues over expenditures	2,015,784	-	-	11,384	-	-	2,027,168
OTHER FINANCING SOURCES (USES)							
Payment to bond escrow agent	(1,708,255)	-	-	-	-	-	(1,708,255)
Transfers in	77,310	-	-	-	478,380	(485,380)	70,310
Transfers out	(2,107,558)	-	(7,000)	-	-	485,380	(1,629,178)
Total other financing sources (uses)	<u>(3,738,503)</u>	<u>-</u>	<u>(7,000)</u>	<u>-</u>	<u>478,380</u>	<u>-</u>	<u>(3,267,123)</u>
Net change in fund balances	(1,722,719)	-	(7,000)	11,384	478,380	-	(1,239,955)
Fund balances - beginning	<u>11,689,276</u>	<u>350,727</u>	<u>170,982</u>	<u>(2,874)</u>	<u>-</u>	<u>-</u>	<u>12,208,111</u>
Fund balances - ending	<u>\$ 9,966,557</u>	<u>\$ 350,727</u>	<u>\$ 163,982</u>	<u>\$ 8,510</u>	<u>\$ 478,380</u>	<u>\$ -</u>	<u>\$ 10,968,156</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, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Over (Under)
PROPERTY TAXES				
Current and prior year levies	\$ 33,351,727	\$ 33,351,727	\$ 33,549,605	\$ 197,878
Interest and lien fees	100,000	100,000	254,843	154,843
Total property taxes	<u>33,451,727</u>	<u>33,451,727</u>	<u>33,804,448</u>	<u>352,721</u>
INTERGOVERNMENTAL REVENUES				
Educational cost sharing grant	5,482,136	5,482,136	5,546,773	64,637
Town aid road grant	267,488	267,488	267,765	277
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	18,036	3,036
Adult education	16,123	16,123	13,958	(2,165)
Tax relief - veterans	5,850	5,850	6,305	455
Pro-rata share of CT fines	5,000	5,000	4,276	(724)
Tax exempt property - totally disabled persons	1,650	1,650	1,727	77
Total intergovernmental revenues	<u>6,357,112</u>	<u>6,357,112</u>	<u>6,422,705</u>	<u>65,593</u>
LOCAL REVENUES				
Building Department	250,000	250,000	480,002	230,002
Town Clerk	220,100	220,100	286,190	66,090
Treasurer	35,200	35,200	61,974	26,774
Land use permits	13,800	13,800	25,813	12,013
Parks and Recreation	32,500	32,500	7,560	(24,940)
Police Department	10,500	10,500	20,165	9,665
Greater Hartford Transit District	7,000	7,000	7,420	420
Aircraft miscellaneous	4,300	4,300	3,340	(960)
Dial-A-Ride	3,000	3,000	2,825	(175)
Public Works	2,500	2,500	2,093	(407)
Assessor	300	300	-	(300)
Other	20	20	-	(20)
Total licenses, fees and charges for goods and services	<u>579,220</u>	<u>579,220</u>	<u>897,382</u>	<u>318,162</u>
REVENUES FROM THE USE OF MONEY				
Interest on deposits	150,000	150,000	20,395	(129,605)
Total revenues from the use of money	<u>150,000</u>	<u>150,000</u>	<u>20,395</u>	<u>(129,605)</u>
OTHER FINANCING SOURCES				
Appropriation of Fund Balance	750,000	4,779,342	-	(4,779,342)
Transfers in from:				
Sewer assessment fund	-	-	70,310	70,310
Storm emergency fund	-	7,000	7,000	-
Total other financing sources	<u>750,000</u>	<u>4,786,342</u>	<u>77,310</u>	<u>(4,709,032)</u>
Total revenues and other financing sources	<u>\$ 41,288,059</u>	<u>\$ 45,324,401</u>	<u>\$ 41,222,240</u>	<u>\$ (4,102,161)</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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT				
Selectmen	\$ 280,586	\$ 289,086	\$ 255,893	\$ (33,193)
Charter Revision	1,250	1,250	250	(1,000)
Ethic's Commission	500	500	-	(500)
Board of Finance	53,125	53,125	42,840	(10,285)
Assessor	211,315	171,315	162,068	(9,247)
Board of Assessment Appeals	1,550	1,550	427	(1,123)
Tax Collector	147,302	147,302	132,826	(14,476)
Treasurer	254,755	254,755	247,242	(7,513)
Capital improvement planning	750	750	375	(375)
Legal	280,000	308,889	308,889	-
Activities, Agency Fees & Associations	135,595	135,595	131,440	(4,155)
Information Technology	226,746	238,913	230,674	(8,239)
Town Clerk	146,360	146,360	141,862	(4,498)
Registrar of Voters	67,383	67,383	58,167	(9,216)
Planning	235,240	243,240	208,423	(34,817)
Planning & Zoning Commission	3,100	3,100	2,540	(560)
Zoning Appeals Board	1,400	1,400	415	(985)
Property Insurance	180,000	153,000	152,138	(862)
Inlands, Wetlands & Watercourse Agency	1,800	1,800	1,440	(360)
Veterans Commission	1,200	1,200	900	(300)
Agricultural Commission	500	500	369	(131)
Conservation Commission	500	500	328	(172)
Economic Development Commission	4,225	4,225	1,217	(3,008)
Total General Government	<u>2,235,182</u>	<u>2,225,738</u>	<u>2,080,723</u>	<u>(145,015)</u>
PUBLIC SAFETY				
Police Department	3,599,366	3,653,040	3,579,551	(73,489)
Police Commission	1,725	1,725	1,375	(350)
Fire	467,000	467,000	458,837	(8,163)
Emergency management	17,545	36,140	35,946	(194)
Building Department	184,902	184,902	155,923	(28,979)
Fire Marshall	20,280	20,780	10,056	(10,724)
Communications	49,168	49,168	48,246	(922)
Total Public Safety	<u>4,339,986</u>	<u>4,412,755</u>	<u>4,289,934</u>	<u>(122,821)</u>
PUBLIC WORKS				
Public Works	983,667	968,993	958,463	(10,530)
Town property	1,080,748	1,110,748	1,101,091	(9,657)
Road improvements	450,000	450,000	446,848	(3,152)
Building Commission	1,200	1,200	-	(1,200)
Sanitation	957,460	990,460	990,401	(59)
Total Public Works	<u>3,473,075</u>	<u>3,521,401</u>	<u>3,496,803</u>	<u>(24,598)</u>
COMMUNITY SERVICES				
Senior Services	251,224	251,224	231,712	(19,512)
Elderly Commission	500	500	-	(500)
Social Services	148,086	148,086	115,245	(32,841)
Libraries	287,500	287,500	287,500	-
Park and Recreation	300,278	272,138	255,361	(16,777)
Historical Commission	500	500	-	(500)
Total Community Services	<u>988,088</u>	<u>959,948</u>	<u>889,818</u>	<u>(70,130)</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, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
EDUCATION	\$ 24,700,000	\$ 24,700,000	\$ 23,192,748	\$ (1,507,252)
DEBT SERVICE	1,007,865	4,092,865	3,997,520	(95,345)
CAPITAL IMPROVEMENT	1,014,668	1,883,603	1,882,979	(624)
EMPLOYEE BENEFITS	3,367,268	2,980,379	2,965,520	(14,859)
CONTINGENCY	95,000	2,405	-	(2,405)
Total expenditures	<u>41,221,132</u>	<u>44,779,094</u>	<u>42,796,045</u>	<u>(1,983,049)</u>
OTHER FINANCING USES				
Transfers out:				
Dog Fund	38,087	38,087	38,087	-
Youth Service Bureau Fund	28,840	28,840	28,840	-
BOE Nonlapsing Fund	-	478,380	478,380	-
Total other financing uses	<u>66,927</u>	<u>545,307</u>	<u>545,307</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 41,288,059</u>	<u>\$ 45,324,401</u>	<u>\$ 43,341,352</u>	<u>\$ (1,983,049)</u>

(Concluded)

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2021

Grand List Year	Balance Uncollected June 30, 2020	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2021
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
2019	\$ -	\$ 33,928,047	\$ 80,246	\$ 283,375	\$ 14,082	\$ 33,710,836	\$ 33,349,868	\$ 119,921	\$ 33,469,789	\$ 360,968
2018	394,340	-	18,926	134,654	10,114	268,498	132,174	74,085	206,259	136,324
2017	127,137	-	2,859,589	2,849,811	4,830	132,085	47,850	27,112	74,962	84,235
2016	64,824	-	-	49	3,909	60,866	6,670	5,674	12,344	54,196
2015	41,205	-	1	183	210	40,813	2,001	2,245	4,246	38,812
2014	23,613	-	98	45	492	23,174	1,406	1,643	3,049	21,768
2013	20,357	-	-	-	674	19,683	1,420	2,056	3,476	18,263
2012	38,130	-	-	-	2,543	35,587	653	1,064	1,717	34,934
2011	15,183	-	-	-	5,747	9,436	772	1,187	1,959	8,664
2010	13,186	-	-	-	12,587	599	270	546	816	329
2009	1,054	-	-	-	1,018	36	36	87	123	-
2008	582	-	-	-	268	314	174	451	625	140
2007	15	-	-	-	15	-	-	-	-	-
	<u>\$ 739,626</u>	<u>\$ 33,928,047</u>	<u>\$ 2,958,860</u>	<u>\$ 3,268,117</u>	<u>\$ 56,489</u>	<u>\$ 34,301,927</u>	<u>\$ 33,543,294</u>	<u>\$ 236,071</u>	<u>\$ 33,779,365</u>	<u>\$ 758,633</u>

TOWN OF EAST WINDSOR, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
AS OF JUNE 30, 2021

Total cash collections for the year ended
June 30, 2021:

Taxes	\$ 33,543,294
Interest and lien fees	236,071
Wharehouse Point Fire District** (taxes, interest and liens)	<u>811,746</u>
Total	<u>34,591,111</u>

Reimbursement for revenue loss:

Tax relief (CGS 12-129d)	<u>8,032</u>
--------------------------	--------------

Base

\$ 34,599,143

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 77,848,072	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	155,696,144	-	-	-
3-3/4 times base	-	-	129,746,786	-	-
3-1/4 times base	-	-	-	112,447,215	-
3 times base	-	-	-	-	103,797,429
Total debt limitation	<u>77,848,072</u>	<u>155,696,144</u>	<u>129,746,786</u>	<u>112,447,215</u>	<u>103,797,429</u>
Indebtedness:					
Direct debt:					
Bonds payable	2,200,000	2,400,000	-	-	-
Notes payable	-	-	1,872,199	-	-
Authorized but not issued	-	-	-	-	-
	<u>2,200,000</u>	<u>2,400,000</u>	<u>1,872,199</u>	<u>-</u>	<u>-</u>
Less: grant reimbursements	-	(674,866) *	-	-	-
Total direct debt	<u>2,200,000</u>	<u>1,725,134</u>	<u>1,872,199</u>	<u>-</u>	<u>-</u>
Overlapping debt:					
Bonds payable - Wharehouse Point Fire District	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>4,200,000</u>	<u>1,725,134</u>	<u>1,872,199</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 73,648,072</u>	<u>\$ 153,971,010</u>	<u>\$ 127,874,587</u>	<u>\$ 112,447,215</u>	<u>\$ 103,797,429</u>
Total capacity of borrowing (7 times base)	\$ 242,194,001				
Total present indebtedness	<u>7,797,333</u>				
Margin for additional borrowing	<u>\$ 234,396,668</u>				

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

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF EAST WINDSOR, CONNECTICUT
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 AS OF JUNE 30, 2021

	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
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,387,965	\$ 1,022,481	\$ 93,821	\$ 12,925	\$ 14,289	\$ -
Investments	-	-	-	-	-	-	-	-	-
Receivables:									
Assessments and user charges	-	-	-	118,607	116,425	-	-	-	-
Grants and contracts	-	-	-	-	-	-	-	-	-
Other	-	35,091	15	-	-	-	-	24,817	-
Due from other funds	131,888	50,538	17,283	-	-	-	-	-	73,483
Prepays and inventories	1,453	-	-	-	-	-	-	-	-
Total assets	<u>\$ 133,341</u>	<u>\$ 85,629</u>	<u>\$ 17,298</u>	<u>\$ 2,506,572</u>	<u>\$ 1,138,906</u>	<u>\$ 93,821</u>	<u>\$ 12,925</u>	<u>\$ 39,106</u>	<u>\$ 73,483</u>
LIABILITIES									
Accounts payable	\$ 1,021	\$ -	\$ 6,911	\$ 38,104	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	3,837	3,430	758	26,559	-	-	-	-	234
Due to other funds	-	-	-	161,283	-	-	-	-	-
Unearned revenue	7,797	2,068	-	337,059	-	-	-	-	18,862
Total liabilities	<u>12,655</u>	<u>5,498</u>	<u>7,669</u>	<u>563,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,096</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	-	-	-	118,607	116,425	-	-	-	-
FUND BALANCES									
Nonspendable:									
Prepays and inventories	1,453	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	39,106	-
Committed to:									
Capital purposes	-	-	-	-	-	93,821	-	-	-
Other purposes	119,233	80,131	9,629	1,824,960	1,022,481	-	12,925	-	54,387
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>120,686</u>	<u>80,131</u>	<u>9,629</u>	<u>1,824,960</u>	<u>1,022,481</u>	<u>93,821</u>	<u>12,925</u>	<u>39,106</u>	<u>54,387</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 133,341</u>	<u>\$ 85,629</u>	<u>\$ 17,298</u>	<u>\$ 2,506,572</u>	<u>\$ 1,138,906</u>	<u>\$ 93,821</u>	<u>\$ 12,925</u>	<u>\$ 39,106</u>	<u>\$ 73,483</u>

(Continued)

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
AS OF JUNE 30, 2021

	Nonmajor Special Revenue Funds						Subtotal
	Town Donations Fund	Senior Center Fund	Educational Grants Fund	School Cafeteria Fund	Family Resource Center Fund	Student Activity Fund	
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 773,454	\$ 134,952	\$ 131,519	\$ 4,571,406
Investments	-	-	-	-	-	-	-
Receivables:							
Assessments and user charges	-	-	-	-	-	-	235,032
Grants and contracts	-	-	225,905	74,448	17,500	-	317,853
Other	2,970	-	-	-	-	-	62,893
Due from other funds	193,182	14,899	-	-	-	-	481,273
Prepays and inventories	-	-	-	3,461	-	-	4,914
Total assets	<u>\$ 196,152</u>	<u>\$ 14,899</u>	<u>\$ 225,905</u>	<u>\$ 851,363</u>	<u>\$ 152,452</u>	<u>\$ 131,519</u>	<u>5,673,371</u>
LIABILITIES							
Accounts payable	\$ 266	\$ -	\$ -	\$ -	\$ 649	\$ -	\$ 46,951
Salaries and benefits payable	-	-	-	-	-	-	34,818
Due to other funds	-	-	78,725	688,080	170,362	-	1,098,450
Unearned revenue	-	-	147,180	-	-	-	512,966
Total liabilities	<u>266</u>	<u>-</u>	<u>225,905</u>	<u>688,080</u>	<u>171,011</u>	<u>-</u>	<u>1,693,185</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	-	-	235,032
FUND BALANCES							
Nonspendable:							
Prepays and inventories	-	-	-	3,461	-	-	4,914
Restricted	195,886	-	-	-	-	131,519	366,511
Committed to:							
Capital purposes	-	-	-	-	-	-	93,821
Other purposes	-	14,899	-	159,822	-	-	3,298,467
Unassigned	-	-	-	-	(18,559)	-	(18,559)
Total fund balances	<u>195,886</u>	<u>14,899</u>	<u>-</u>	<u>163,283</u>	<u>(18,559)</u>	<u>131,519</u>	<u>3,745,154</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 196,152</u>	<u>\$ 14,899</u>	<u>\$ 225,905</u>	<u>\$ 851,363</u>	<u>\$ 152,452</u>	<u>\$ 131,519</u>	<u>\$ 5,673,371</u>

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
AS OF JUNE 30, 2021

	Nonmajor Permanent Fund			Total Nonmajor Governmental Funds
	Cemetery Trust Fund	Scholarship Trust Fund	Subtotal	
ASSETS				
Cash and cash equivalents	\$ 5,218	\$ 72,117	\$ 77,335	\$ 4,648,741
Investments	-	365,591	365,591	365,591
Receivables:				
Assessments and user charges	-	-	-	235,032
Grants and contracts	-	-	-	317,853
Other	-	-	-	62,893
Due from other funds	-	-	-	481,273
Prepays and inventories	-	-	-	4,914
Total assets	<u>\$ 5,218</u>	<u>\$ 437,708</u>	<u>\$ 442,926</u>	<u>\$ 6,116,297</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 46,951
Salaries and benefits payable	-	-	-	34,818
Due to other funds	-	-	-	1,098,450
Unearned revenue	-	-	-	512,966
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,693,185</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,032</u>
FUND BALANCES				
Nonspendable:				
Prepays and inventories	-	-	-	4,914
Restricted	5,218	437,708	442,926	809,437
Committed to:				
Capital purposes	-	-	-	93,821
Other purposes	-	-	-	3,298,467
Unassigned	-	-	-	(18,559)
Total fund balances	<u>5,218</u>	<u>437,708</u>	<u>442,926</u>	<u>4,188,080</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,218</u>	<u>\$ 437,708</u>	<u>\$ 442,926</u>	<u>\$ 6,116,297</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, 2021

	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
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,201
Charges for goods and services	17,906	172,487	8,830	2,164,299	135,858	-	-	-	-
Interest income	-	-	-	2,873	762	73	43	1	-
Other	-	-	-	2,392	-	-	3,978	-	-
Total revenues	<u>17,906</u>	<u>172,487</u>	<u>8,830</u>	<u>2,169,564</u>	<u>136,620</u>	<u>73</u>	<u>4,021</u>	<u>1</u>	<u>4,201</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	184,764	39,880	-	-	-	13,744	-	-
Public works	-	-	-	1,869,961	-	-	-	-	-
Community services	90,405	-	-	-	-	-	-	-	4,201
Education	-	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	45,260	-	69,705	25,746	-	-
Total expenditures	<u>90,405</u>	<u>184,764</u>	<u>39,880</u>	<u>1,915,221</u>	<u>-</u>	<u>69,705</u>	<u>39,490</u>	<u>-</u>	<u>4,201</u>
Excess (deficiency) of revenues over expenditures	(72,499)	(12,277)	(31,050)	254,343	136,620	(69,632)	(35,469)	1	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	38,087	-	-	-	-	-	28,840
Transfers out	-	(19,000)	-	-	(70,310)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(19,000)</u>	<u>38,087</u>	<u>-</u>	<u>(70,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,840</u>
Net change in fund balances	(72,499)	(31,277)	7,037	254,343	66,310	(69,632)	(35,469)	1	28,840
Fund balances - beginning, as adjusted (<i>see Note 1</i>)	193,185	111,408	2,592	1,570,617	956,171	163,453	48,394	39,105	25,547
Fund balances - ending	<u>\$ 120,686</u>	<u>\$ 80,131</u>	<u>\$ 9,629</u>	<u>\$ 1,824,960</u>	<u>\$ 1,022,481</u>	<u>\$ 93,821</u>	<u>\$ 12,925</u>	<u>\$ 39,106</u>	<u>\$ 54,387</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, 2021

	Nonmajor Special Revenue Funds						Subtotal
	Town Donations Fund	Senior Center Fund	Educational Grants Fund	School Cafeteria Fund	Family Resource Center Fund	Student Activity Fund	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 2,091,558	\$ 333,122	\$ 150,830	\$ -	\$ 2,579,711
Charges for goods and services	-	1,737	-	24,247	65,357	41,526	2,632,247
Interest income	-	-	-	-	3	-	3,755
Other	30,244	592	-	-	-	-	37,206
Total revenues	<u>30,244</u>	<u>2,329</u>	<u>2,091,558</u>	<u>357,369</u>	<u>216,190</u>	<u>41,526</u>	<u>5,252,919</u>
EXPENDITURES							
Current:							
General government	38,753	-	-	-	-	-	38,753
Public safety	-	-	-	-	-	-	238,388
Public works	-	-	-	-	-	-	1,869,961
Community services	8,278	1,350	-	-	-	-	104,234
Education	-	-	2,091,558	470,685	269,583	47,603	2,879,429
Capital outlays	-	-	-	-	-	-	140,711
Total expenditures	<u>47,031</u>	<u>1,350</u>	<u>2,091,558</u>	<u>470,685</u>	<u>269,583</u>	<u>47,603</u>	<u>5,271,476</u>
Excess (deficiency) of revenues over expenditures	(16,787)	979	-	(113,316)	(53,393)	(6,077)	(18,557)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	113,316	-	-	180,243
Transfers out	-	-	-	-	-	-	(89,310)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,316</u>	<u>-</u>	<u>-</u>	<u>90,933</u>
Net change in fund balances	(16,787)	979	-	-	(53,393)	(6,077)	72,376
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	<u>212,673</u>	<u>13,920</u>	<u>-</u>	<u>163,283</u>	<u>34,834</u>	<u>137,596</u>	<u>3,672,778</u>
Fund balances - ending	<u>\$ 195,886</u>	<u>\$ 14,899</u>	<u>\$ -</u>	<u>\$ 163,283</u>	<u>\$ (18,559)</u>	<u>\$ 131,519</u>	<u>\$ 3,745,154</u>

(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, 2021

	Nonmajor Permanent Funds			Total Nonmajor Governmental Funds
	Cemetery Trust Fund	Scholarship Trust Fund	Subtotal	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,579,711
Charges for goods and services	-	-	-	2,632,247
Interest income	5	(1,888)	(1,883)	1,872
Other	-	10,500	10,500	47,706
Total revenues	<u>5</u>	<u>8,612</u>	<u>8,617</u>	<u>5,261,536</u>
EXPENDITURES				
Current:				
General government	-	-	-	38,753
Public safety	-	-	-	238,388
Public works	-	-	-	1,869,961
Community services	-	-	-	104,234
Education	-	18,250	18,250	2,897,679
Capital outlays	-	-	-	140,711
Total expenditures	<u>-</u>	<u>18,250</u>	<u>18,250</u>	<u>5,289,726</u>
Excess (deficiency) of revenues over expenditures	5	(9,638)	(9,633)	(28,190)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	180,243
Transfers out	-	-	-	(89,310)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,933</u>
Net change in fund balances	5	(9,638)	(9,633)	62,743
Fund balances - beginning, as adjusted <i>(see Note 1)</i>	<u>5,213</u>	<u>447,346</u>	<u>452,559</u>	<u>4,125,337</u>
Fund balances - ending	<u>\$ 5,218</u>	<u>\$ 437,708</u>	<u>\$ 442,926</u>	<u>\$ 4,188,080</u>

(Concluded)

FIDUCIARY FUNDS

TOWN OF EAST WINDSOR, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER POST-EMPLOYMENT -
BENEFITS TRUST FUNDS
AS OF JUNE 30, 2021

	Pension Trust Fund	Other Post- Employment Benefits Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 858,328	\$ 68,723	\$ 927,051
Investments:			
Mutual funds	35,791,606	1,747,861	37,539,467
Fixed income securities	129,058	-	129,058
	35,920,664	1,747,861	37,668,525
Total assets	36,778,992	1,816,584	38,595,576
LIABILITIES			
Payables	50,243	1,510	51,753
Total liabilities	50,243	1,510	51,753
NET POSITION			
Restricted for pension and other post-employment benefits	\$ 36,728,749	\$ 1,815,074	\$ 38,543,823

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, 2021

	Pension Trust Fund	Other Post- Employment Benefits Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 1,413,241	\$ 79,572	\$ 1,492,813
Plan members	314,202	-	314,202
Total contributions	<u>1,727,443</u>	<u>79,572</u>	<u>1,807,015</u>
Investment earnings:			
Interest and dividends	459,882	23,404	483,286
Net increase in the fair value of investments, net of fees	<u>6,623,923</u>	<u>323,499</u>	<u>6,947,422</u>
Total investment earnings	<u>7,083,805</u>	<u>346,903</u>	<u>7,430,708</u>
Total additions	<u>8,811,248</u>	<u>426,475</u>	<u>9,237,723</u>
DEDUCTIONS			
Benefit payments	1,772,278	-	1,772,278
Administrative expenses	<u>37,505</u>	<u>3,500</u>	<u>41,005</u>
Total deductions	<u>1,809,783</u>	<u>3,500</u>	<u>1,813,283</u>
Change in net position	7,001,465	422,975	7,424,440
Net position - beginning	<u>29,727,284</u>	<u>1,392,099</u>	<u>31,119,383</u>
Net position - ending	<u>\$ 36,728,749</u>	<u>\$ 1,815,074</u>	<u>\$ 38,543,823</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF EAST WINDSOR, CONNECTICUT
OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2021

I. Amounts of the gross and the net taxable Grand List (October 1, 2020):

1. Gross Taxable Grand List	1,133,525,291
2. Net Taxable Grand List	989,733,229

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

	Net Assessment	% of Net Taxable Grand List
1 Eversource	\$ 23,779,540	2.4%
2 The Mansions at Canyon Ridge	21,792,630	2.2%
3 Walmart Stores East, LP	18,034,340	1.8%
4 Southern Auto Sales, Inc.	15,113,450	1.5%
5 Millpond Limited Partnership	14,210,000	1.4%
6 Yankee Gas Services Co	11,123,140	1.1%
7 Connecticut Water Company	10,004,790	1.0%
8 East Windsor Properties Ltd Partnership	9,772,210	1.0%
9 PENSKE Truck Leasing Co LP	8,870,140	0.9%
10 Wynwood Apartments Connecticut LP	8,640,270	0.9%
	<u>\$ 141,340,510</u>	<u>14.3%</u>

III. Percentage of the annual property tax levy uncollected as of the close of the fiscal year ending June 30, 2021:

	Adjusted Levy	Uncollected Taxes June 30, 2021	% Uncollected Taxes June 30, 2021
October 1, 2019 Grand List	\$ 33,710,836	\$ 360,968	1.1%

IV. Calculation of debt as of the close of the fiscal year ending June 30, 2021:

Long-Term Debt:	
General obligation bonds payable	\$ 4,600,000
Notes payable	1,872,199
Total Direct Debt	<u>6,472,199</u>
Less:	
Grant reimbursements	<u>(674,866)</u>
Net Direct Debt	5,797,333
Overlapping and Underlying Debt	2,000,000
Total Overall Net Debt	<u>\$ 7,797,333</u>

TOWN OF EAST WINDSOR, CONNECTICUT
OTHER SUPPLEMENTARY INFORMATION (UNAUDITED) *(Concluded)*
JUNE 30, 2021

V. Debt per Capita

Population Estimate (as of July 1, 2020):*		11,167
Total Direct Debt Per Capita	\$	580
Total Net Direct Debt Per Capita		519
Total Overall Net Debt Per Capita		698

* - 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	\$	989,733,229
Total Direct Debt to Net Taxable Grand List		0.65%
Total Overall Net Debt to Net Taxable Grand List		0.79%