

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
June 30, 2002

TOWN OF WINCHESTER, CONNECTICUT

NOT BE USED ONLY FOR MANAGEMENT  
DISCUSSION PURPOSES. ENGAGEMENT IS  
COMPLETE. THIS DRAFT IS SUBJECT TO  
FISCAL REVIEW AND POSSIBLE REVISIONS.



Office of the  
Director of Finance

**TOWN OF WINCHESTER, CONNECTICUT**

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FINAL REVIEW AND POSSIBLE REVISIONS.

**Comprehensive Annual Financial Report**

**JUNE 30, 2002**

Department of Finance  
Henry L. Centrella, Jr.  
Director of Finance

TOWN OF WINCHESTER, CONNECTICUT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

**INTRODUCTORY SECTION:**

Title Page  
 Table of Contents  
 Listing of Key Officers  
 GFOA Certificate of Achievement  
 Organization Chart  
 Transmittal Letter

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 PURPOSES; ENGAGEMENT IS  
 COMPLETE: THIS DRAFT IS SUBJECT TO  
 FINAL REVIEW AND POSSIBLE REVISIONS  
 vii-xvii

**FINANCIAL SECTION:**

Report of Independent Accountants 1

Exhibit

**General Purpose Financial Statements:**

1	Combined Balance Sheet - All Fund Types and Account Groups	2
2	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	3
3	Statement of Changes in Plan Net Assets - Pension Trust Fund	4
4	Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Non-GAAP Budgetary Basis	5
5	Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Nonexpendable Trust Funds	6
6	Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds	7
	Notes to Financial Statements	8-33

**Supplemental Information:**

**Governmental Funds:**

**General Fund:**

A-1	Comparative Balance Sheets	34
A-2	Schedule of Revenues and Expenditures - Budget and Actual - Non-GAAP Budgetary Basis	35-38

TOWN OF WINCHESTER, CONNECTICUT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<b>Special Revenue Funds:</b>	
B-1	Combining Balance Sheet	39
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	40
B-3	Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Town Aid Roads Fund and Dog Fund - Non-GAAP Budgetary Basis	41
	<b>Proprietary Funds:</b>	
	<b>Enterprise Funds:</b>	
C-1	Combining Balance Sheet	42
C-2	Combining Statement of Revenues, Expenses and Changes in Retained Earnings	43
C-3	Combining Statement of Cash Flows	44
	<b>Fiduciary Funds:</b>	
	<b>Trust and Agency Funds:</b>	
D-1	Combining Balance Sheet	45-46
D-2	Combining Statement of Revenues, Expenses and Changes in Fund Balances - Nonexpendable Trust Funds	47
D-3	Combining Statement of Cash Flows - Nonexpendable Trust Funds	48
D-4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Expendable Trust Funds	49
D-5	Combining Statement of Changes in Assets and Liabilities - Agency Funds	50
	<b>General Fixed Assets Account Group:</b>	
E-1	Schedule of General Fixed Assets by Source	51
E-2	Schedule of General Fixed Assets by Function	52
E-3	Schedule of Changes in General Fixed Assets by Function	53
	<b>Other Information:</b>	
F	Schedule of Property Taxes Levied, Collected and Outstanding	54
G	Schedules of Water and Sewer Rents Levied, Collected and Outstanding	55
H	Schedule of Surety Bonds Covering Officials and Employees	56

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 DISCUSSION PURPOSES; ENGAGEMENT IS  
 INCOMPLETE: THIS DRAFT IS SUBJECT TO  
 FINAL REVIEW AND POSSIBLE REVISIONS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

STATISTICAL SECTION:

Table

1	General Fund Expenditures by Function - Non-GAAP Budgetary Basis	
2	General Fund Revenues by Source - Non-GAAP Budgetary Basis	58
3	Property Tax Levies and Collections	59
4	Assessed and Estimated Actual Value of Taxable Property	60
5	Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita	61
6	Schedule of Debt Limitation	62
7	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	63
8	Demographic Statistics	64
9	Property Value, Construction and Bank Deposits	65
10	Principal Taxpayers	66
11	Capital Outlay Expenditures by Function - Non-GAAP Budgetary Basis	67
12	Supplemental Data	68

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MISSION PURPOSES; ENGAGEMENT  
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REVIEW AND POSSIBLE REVISION

TOWN OF WINCHESTER, CONNECTICUT

LISTING OF KEY OFFICERS

AS OF June 30, 2002

Mayor:	John F. Arcelaschi
Board of Selectmen:	Karen Beadle Richard Perini John R. Torres Carol Crossman Frank Smith Maryann D. Welcome
Board of Tax Review:	Peter Walker Walter J. St. Onge, Jr. Joanne Williams
Director of Public Works:	Patrick E. Hague
Town Manager:	Margaret A. Johnson
Director of Finance:	Henry L. Centrella, Jr.
Treasurer:	Spencer C. Monroe
Tax Collector:	Arlene M. Boutin
Town Clerk:	Sheila S. Sedlack
Purchasing Agent:	Mark A. Douglass
Town Assessor:	Janice L. McKie
Superintendent of Schools:	Raymond W. Powell

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**FINANCIAL SECTION**

TOWN OF WINCHESTER, CONNECTICUT  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

Exhibit 1

JUNE 30, 2002

	Governmental Fund Types		Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals
	General	Special Revenue			General Fixed Assets	Long-Term Debt	
<b>ASSETS AND OTHER DEBITS</b>							
Assets:							
Cash and cash equivalents	\$ 2,343,504	\$ 743,001	\$ 1,251,828	\$ 623,056	\$	\$	\$ 3,870,486
Investments	882,252			4,639,248			4,635,734
Property taxes receivable, net							914,762
Accounts receivable:							
State of Connecticut							722,756
Other	359,160	45,627	317,969	506,565			1,017,452
Accrued utility revenue	281,783	4,420,209					5,621,055
Due from other funds	283,294	392,599					667,845
Other assets	87,972	13,409					858,421
Property, plant and equipment (net where applicable)			37,528,019		24,949,764		62,477,783
Other Debits:							
Amounts to be provided by state grant					1,669,046		1,669,046
Amounts to be provided by future years' budgets					3,279,362		3,279,362
<b>Total Assets and Other Debits</b>	<b>\$ 4,237,965</b>	<b>\$ 5,614,845</b>	<b>\$ 40,360,688</b>	<b>\$ 5,768,869</b>	<b>\$ 24,949,764</b>	<b>\$ 4,948,408</b>	<b>\$ 85,880,539</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 574,987	\$ 50,513	\$ 481,564	\$ 7,677	\$	\$	\$ 1,107,064
Due to other funds	218,283	110,555	521,906				858,421
Due to State of Connecticut		156,064					156,064
Fiduciary deposits				128,836			128,836
Accrued pension contribution	347,422						347,422
Deferred revenue	854,592						167,506
Bonds and notes payable			12,686,130				5,416,185
Accrued vacation and sick leave benefits			153,428				15,241,130
Claims and judgments							956,584
Accrued vacation and sick leave benefits							1,046,138
Obligations under capital leases							390,686
<b>Total Liabilities</b>	<b>\$ 1,995,284</b>	<b>\$ 4,878,725</b>	<b>\$ 13,843,028</b>	<b>\$ 136,513</b>	<b>\$ -</b>	<b>\$ 4,948,408</b>	<b>\$ 25,801,959</b>
Fund Equity and Other Credits:							
Investment in general fixed assets					24,949,764		24,949,764
Contributed capital							18,665,265
Retained earnings							7,852,395
Fund balances:							
Reserved for employee retirement system				5,145,813			5,145,813
Reserved for encumbrances	394,693						394,693
Reserved for prepaid expenditures	87,972						87,972
Unreserved:							
Undesignated	1,760,016	736,120		486,543			2,982,679
Total fund equity and other credits	2,242,681	736,120		5,632,356			60,078,581
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 4,237,965</b>	<b>\$ 5,614,845</b>	<b>\$ 40,360,688</b>	<b>\$ 5,768,869</b>	<b>\$ 24,949,764</b>	<b>\$ 4,948,408</b>	<b>\$ 85,880,539</b>

NOT TO BE USED ONLY FOR MANAGEMENT REVIEW AND POSSIBLE REVISION PURPOSES. THIS DRAFT IS SUBJECT TO REVIEW AND POSSIBLE REVISIONS.

TOWN OF WINCHESTER, CONNECTICUT

Exhibit 2

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND FINANCES IN  
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2002

	Governmental Fund Types		Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	General	Special Revenue		2002	2001
<b>Revenues:</b>					
General property taxes, interest and lien fees	\$ 16,105,541	\$	\$	\$ 16,105,541	\$ 14,730,409
Intergovernmental revenues	9,354,401	1,046,436		10,400,837	11,250,241
Other revenues	1,440,236	752,316	426	2,192,978	1,302,125
<b>Total revenues</b>	<b>26,900,178</b>	<b>1,798,752</b>	<b>426</b>	<b>28,699,356</b>	<b>27,282,775</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Board of Education	16,499,732			16,499,732	15,086,605
Program and project expenditures		1,775,316		1,775,316	2,679,046
Public works	1,753,297			1,753,297	1,753,790
Public safety	2,606,798			2,606,798	2,496,971
Miscellaneous	991,642			991,642	859,513
General government	1,459,465			1,459,465	1,330,117
Welfare	44,654			44,654	49,875
Health	182,310			182,310	210,311
Parks and recreation	168,163			168,163	173,821
Library	196,980			196,980	174,533
Waste disposal and recycling	571,156			571,156	532,517
Debt service	567,843			567,843	672,054
Capital outlay	1,290,000			1,290,000	591,120
<b>Total expenditures</b>	<b>26,332,040</b>	<b>1,775,316</b>	<b>-</b>	<b>28,107,356</b>	<b>26,610,273</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>568,138</b>	<b>23,436</b>	<b>426</b>	<b>592,000</b>	<b>672,502</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from capital lease	111,000			111,000	25,629
Operating transfers in	4,104	201,818		205,922	205,951
Operating transfers out	(201,818)	(145,109)		(346,927)	(524,960)
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>481,424</b>	<b>80,145</b>	<b>426</b>	<b>561,995</b>	<b>379,122</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,761,259</b>	<b>655,975</b>	<b>20,142</b>	<b>2,437,376</b>	<b>2,058,254</b>
<b>Fund Balances at End of Year</b>	<b>\$ 2,242,683</b>	<b>\$ 736,120</b>	<b>\$ 20,568</b>	<b>\$ 2,999,371</b>	<b>\$ 2,437,376</b>

The accompanying notes are an integral part of the financial statements

## TOWN OF WINCHESTER, CONNECTICUT

Exhibit 3

## PENSION TRUST FUND

## STATEMENT OF CHANGES IN PLAN NET ASSETS

FOR THE PLAN YEARS ENDED DECEMBER 31, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<b>Additions:</b>		
<b>Contributions:</b>		
Employer	\$ 222,279	\$ 188,481
Plan member	84,268	69,179
Other cash receipts	-	29,346
Total contributions	<u>306,547</u>	<u>287,006</u>
<b>Investment income:</b>		
Net appreciation (depreciation) in fair value of investments	(72,264)	(196,551)
Interest	183,890	173,320
Dividends	40,616	257,803
	<u>152,242</u>	<u>234,572</u>
<b>Total additions</b>	<u>458,789</u>	<u>521,578</u>
<b>Deductions:</b>		
Benefits	181,950	143,618
Administrative expense	51,046	42,038
Total deductions	<u>232,996</u>	<u>185,656</u>
<b>Net Increase</b>	225,793	335,922
<b>Net Assets Held In Trust for Pension Benefits at Beginning of Year</b>	<u>4,920,020</u>	<u>4,584,098</u>
<b>Net Assets Held In Trust for Pension Benefits at End of Year</b>	<u>\$ 5,145,813</u>	<u>\$ 4,920,020</u>

The accompanying notes are an integral part of the financial statements

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUALS  
 GENERAL AND SPECIAL REVENUE FUNDS - NON-GAAP BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2002

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>						
General property taxes, interest and lien fees	\$ 16,216,963	\$ 16,105,541	\$ (111,422)	\$ -	\$ -	\$ -
Intergovernmental revenues	9,696,802	8,926,724	(770,078)	-	-	-
Other revenues	779,416	1,440,236	660,820	12,500	13,560	1,060
Total revenues	<u>26,693,181</u>	<u>26,472,501</u>	<u>(220,680)</u>	<u>12,500</u>	<u>13,560</u>	<u>1,060</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Board of Education	16,045,175	16,100,702	(55,527)	-	-	-
Program and project expenditures	-	-	-	226,231	212,537	13,694
Public works	1,787,914	1,733,203	54,711	-	-	-
Public safety	2,621,992	2,594,209	27,783	-	-	-
Miscellaneous	908,462	976,187	(67,725)	-	-	-
General government	1,423,538	1,442,535	(18,997)	-	-	-
Welfare	43,833	44,654	(821)	-	-	-
Health	182,820	182,310	510	-	-	-
Parks and recreation	174,826	174,882	(56)	-	-	-
Library	196,980	196,980	-	-	-	-
Waste disposal and recycling	571,473	571,156	-	-	-	-
Debt service	567,843	567,843	-	-	-	-
Capital outlay	1,987,035	871,035	1,116,000	-	-	-
Total expenditures	<u>26,511,891</u>	<u>25,455,697</u>	<u>1,056,194</u>	<u>226,231</u>	<u>212,537</u>	<u>13,694</u>
Excess (Deficiency) of Revenues over Expenditures	181,290	1,016,804	835,514	(213,731)	(198,977)	14,754
<b>Other Financing Sources (Uses):</b>						
Operating transfers in	6,000	4,104	(1,896)	213,731	201,818	(11,913)
Operating transfers out	(213,731)	(201,818)	11,913	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (26,441)</u>	819,090	<u>\$ 845,531</u>	<u>\$ -</u>	2,841	<u>\$ 2,841</u>
Fund Balances at Beginning of Year		<u>1,028,898</u>			<u>\$ 30,206</u>	
Fund Balances at End of Year		<u>\$ 1,847,988</u>			<u>\$ 33,047</u>	

The accompanying notes are an integral part of the financial statements

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS/FUND BALANCES - ALL  
 PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2002  
 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001

	Proprietary	Fiduciary	Totals	
	Fund Type	Fund Type	(Memorandum Only)	
	Enterprise	Nonexpend- able Trusts	2002	2001
<b>Operating Revenues:</b>				
Water rents	\$ 1,606,779	\$	\$ 1,606,779	\$ 1,599,617
Sewer rents	1,106,103		1,106,103	1,026,078
Fines, penalties and investment income	152,353	13,404	165,757	178,034
Other	142,460		142,460	197,181
Total operating revenues	<u>3,007,696</u>	<u>13,404</u>	<u>3,021,100</u>	<u>3,000,910</u>
<b>Operating Expenses:</b>				
Operations	1,484,358		1,484,358	1,371,430
Maintenance	312,472		312,472	288,956
Depreciation	930,352		930,352	930,352
Administration	269,172		269,172	248,738
Other		2,100	2,100	7,410
Total operating expenses	<u>2,996,354</u>	<u>2,100</u>	<u>2,998,454</u>	<u>2,846,886</u>
Operating Income	<u>11,341</u>	<u>11,304</u>	<u>22,645</u>	<u>154,024</u>
<b>Nonoperating Revenues (Expenses):</b>				
State and federal grants	1,265,467		1,265,467	-
In-kind contribution	356,385		356,385	-
Interest income	8,438		8,438	49,420
Interest expense	(877,201)		(877,201)	(734,792)
Net nonoperating revenues (expenses)	<u>753,089</u>	<u>-</u>	<u>753,089</u>	<u>331,574</u>
Income (Loss) Before Operating Transfers	764,431	11,304	775,735	485,598
Operating Transfers In	145,000		145,000	319,009
Operating Transfers Out		(3,995)	(3,995)	-
Net Income (Loss)	909,431	7,309	916,740	804,607
Retained Earnings/Fund Balances at Beginning of Year	<u>6,942,964</u>	<u>458,666</u>	<u>7,401,630</u>	<u>6,597,023</u>
Retained Earnings/Fund Balances at End of Year	<u>\$ 7,852,395</u>	<u>\$ 465,975</u>	<u>\$ 8,318,370</u>	<u>\$ 7,401,630</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WINCHESTER, CONNECTICUT

Exhibit 6

COMBINED STATEMENT OF CASH FLOWS - ALL FUND TYPES  
FUND TYPES AND NONEXPENDABLE TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2002

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Proprietary Fund Type		Fiduciary Fund Type		Totals (Memorandum Only)	
	Enterprise		Nonexpendable Trusts		2002	2001
<b>Cash Flows from Operating Activities:</b>						
Operating income	\$	11,341	\$	11,304	\$	22,645
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Investment income			(13,404)		(13,404)	(19,605)
Depreciation		930,352			930,352	930,352
(Increase) decrease in operating assets:						
Rents receivable		95,228			95,228	4,720
Receivable from State of Connecticut		(54,252)			(54,252)	(263,717)
Accrued utility revenue		(1,174)			(1,174)	(38,144)
Other assets						
Amounts due from other funds		195,746	(5,455)		190,291	(279,161)
Increase (decrease) in operating liabilities:						
Accounts payable and accrued liabilities		82,594			82,594	276,829
Amounts due to other funds		31,076			31,076	224,048
Accrued vacation and sick leave benefits		-			-	3,448
Net cash provided by (used in) operating activities		<u>1,290,911</u>	<u>(7,555)</u>		<u>1,283,356</u>	<u>992,794</u>
<b>Cash Flows from Noncapital Related Financing Activities:</b>						
Operating transfers in		145,000			145,000	319,009
Operating transfers out			(3,995)		--	-
Net cash provided by noncapital related financing activities		<u>145,000</u>	<u>(3,995)</u>		<u>141,005</u>	<u>319,009</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Grants received from state and federal governments		635,434			635,434	-
Principal payments on bonds payable		(873,785)			(873,785)	(873,785)
Interest paid on notes and bonds payable		(877,201)			(877,201)	(734,792)
Acquisition and construction of capital assets		(935,605)			(935,605)	(699,368)
Net cash used in capital and related financing activities		<u>(2,051,157)</u>	<u>-</u>		<u>(2,051,157)</u>	<u>(1,672,511)</u>
<b>Cash Flows from Investing Activities:</b>						
Investment income		<u>8,438</u>	<u>13,404</u>		<u>21,842</u>	<u>69,025</u>
Net cash provided by investing activities		<u>8,438</u>	<u>13,404</u>		<u>21,842</u>	<u>69,025</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<u>(606,808)</u>	<u>1,854</u>		<u>(604,954)</u>	<u>(291,683)</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>		<u>1,228,603</u>	<u>467,262</u>		<u>1,695,865</u>	<u>1,987,548</u>
<b>Cash and Cash Equivalents at End of Year</b>	\$	<u>621,795</u>	\$	<u>469,116</u>	\$	<u>1,090,911</u>
<b>Cash and Cash Equivalents at End of Year:</b>						
Nonexpendable Trust Funds			\$	469,116		
Expendable Trust and Agency Funds				<u>153,940</u>		
<b>Total on Combined Balance Sheet</b>			\$	<u>623,056</u>		

The accompanying notes are an integral part of the financial statements

Note 1 - Summary of Significant Accounting Policies:

The Town of Winchester was incorporated in 1771. The Town operates under a Selectmen-Town Manager form of government and provides the following services as authorized by its charter: public safety, public works, health, welfare, parks, recreation, and elementary and secondary education.

The accounting policies of the Town of Winchester conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

A. Governmental Reporting Entity:

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government.

Related Organizations:

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

B. Basis of Presentation:

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues and expenditures (or expenses). The various funds are summarized by type in the financial statements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the Town:

Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the Town. It is used for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

ISSUED ONLY FOR MANAGEMENT  
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Note 1 - Summary of Significant Accounting Policies (Continued):

Proprietary Fund Type:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town's Enterprise Funds are comprised of the Waterworks Fund and the Sewer Fund.

Fiduciary Fund Types:

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable, Nonexpendable, Pension Trust and Agency Funds. Nonexpendable and Pension Trust Funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Town, other than those accounted for in the Town's Proprietary Funds.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the Town except those accounted for in the Town's Proprietary Funds.

C. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds, Nonexpendable Trust Funds and Pension Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

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Note 1 - Summary of Significant Accounting Policies (Continued):

All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Available is currently being defined as collected during the current period or expected to be collected within 60 days thereafter.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Property taxes and assessments are recognized as revenue when collected during the year and within 60 days after the close of the fiscal year.

The modified accrual basis of accounting is used by the Agency and Expendable Trust Funds.

The Proprietary Funds, Nonexpendable Trust Funds and Pension Trust Fund are maintained and reported on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The proprietary funds have elected to adopt only those FASB statements, APBs and ARBs issued on or prior to November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The revenues of the Waterworks and Sewer Funds, which are based upon service rates authorized by the Water Pollution Control Authority and the Board of Selectmen, are determined by cyclical billings to customers and recognized when earned. Unbilled water and sewer charges earned as of year-end are also recorded as revenue.

Employee and employer contributions to the Pension Trust Fund are recognized as revenues in the period in which employee services are performed.

D. Budgetary Data:

Budgets for the General Fund, Dog Fund and Town Aid Roads Fund are authorized annually by the Board of Selectmen. Annual budgets are not adopted for Special Revenue Funds other than the Town Aid Roads Fund and the Dog Fund and, accordingly, are not included in Exhibit 3.

Program budgets are established for funds not budgeted annually. The procedures for establishing the budgetary data reflected in the financial statements are as follows:

- 1) Prior to March 15, the Town Manager submits to the Board of Selectmen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

DRAFT  
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Note 1 - Summary of Significant Accounting Policies (Continued):

- 2) Public hearings are conducted at locations throughout the Town to obtain taxpayer comments.
- 3) The budget is legally enacted at the annual Town budget meeting by vote of the general public.
- 4) Upon the request of the Town Manager, but only within the last three months of the fiscal year, only the Board of Selectmen may, by resolution, transfer any unencumbered appropriation, balance or portion thereof from one department, commission, board or office to another. Management cannot amend the budget.

The budgets are prepared on a modified accrual basis of accounting except for encumbrances. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year. Payroll is accounted for on a cash basis. The control level on which expenditures may not legally exceed appropriations is the departmental level. Management can transfer amounts within a department. Unencumbered appropriations lapse at the close of the fiscal year, except for those appropriations which are made for capital improvements.

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

Budgeted amounts are as originally adopted, or as amended by the Board of Selectmen. The last amendment was on June 17, 2002.

The accompanying combined statement of revenues, expenditures and changes in fund balances - budget and actual - general and special revenue funds - non-GAAP budgetary basis presents comparisons of the legally adopted budgets with actual data on a budgetary basis. Since the accounting for encumbrances for purposes of developing data on a budgetary basis differs from that used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resultant differences in excess of revenues and other sources over expenditures and other uses for the year ended June 30, 2002 is presented below:

	General Fund	Special Revenue Funds
Excess (deficiency) of revenues and other sources over expenditures and other uses for budgeted funds - budgetary basis	\$ 819,090	\$ 2,841
Timing difference:		
Change in reserve for encumbrances	(337,666)	
Entity difference:		
Deficiency of revenues and other sources over expenditures and other uses for nonbudgeted funds		77,304
 Excess of Revenues and Other Sources over Expenditures and Other Uses - GAAP Basis	 \$ 481,424	 \$ 80,145

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

DRAFT ONLY FOR MANAGEMENT  
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Note 1 - Summary of Significant Accounting Policies (Continued):

E. Assets, Liabilities and Fund Equity:

Cash and Cash Equivalents - The following is a summary of cash and cash equivalents at June 30, 2002

Deposits	\$ <u>4,961,390</u> *
----------	-----------------------

\* Includes demand and money market accounts.

At year-end, the carrying amount of the Town of Winchester's deposits was \$4,961,390, and the bank balance was \$4,551,586. Of the bank balance, \$725,829 was covered by federal depository insurance. The remaining balance of \$3,825,757 falls under Risk Category 3. Risk Category 3 is defined as uninsured. As required by P.A. 91-245, the depositories with which the Town has its deposits have set aside collateral of \$297,670 in securities; however, these are not held in the Town's name. It is unclear whether the collateral required for public deposits by P.A. 91-245 would stand if challenged by the FDIC since there is no perfected security agreement between the depository and the depositor. A perfected agreement is required by federal law.

Cash Equivalents - Cash equivalents are defined as those investments having original maturities of three months or less.

Investments - Temporary investments are stated at cost which approximates fair value, corporate and government obligations are carried at amortized cost which approximates fair value, and investments in mutual funds are carried at fair value. Pension Trust Fund investments are carried at fair value. Investments maturing within one year of acquisition are stated at amortized cost.

Statutes authorize the Town to invest in obligations of the United States Treasury and its agencies and instrumentalities, certificates of deposit, commercial paper, savings accounts, bank acceptances and repurchase agreements. The Town's Pension Board of Directors determines in which instruments the Plan's trustee can invest.

GASB Statement No. 3 defines three categories of investments to give an indication of the level of risk assumed by the entity. Category 1 includes investments which are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by its safekeeping department or agent, but not in the Town's name.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

DRAFT ONLY FOR MANAGEMENT  
 PURPOSES; ENGAGEMENT  
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**Note 1 - Summary of Significant Accounting Policies (Continued):**

The Town's investments held are as follows:

	Category 1	Category 2	Category 3	Carrying Amount	Fair Value
<b>Pension Trust Fund:</b>					
U.S. Government securities	\$	\$ 1,331,957	\$	\$ 1,331,957	\$ 1,331,957
Corporate and foreign obligations		704,205		704,205	704,205
* Pooled trust funds - Fleet Bank				2,603,086	2,603,086
				\$ 4,639,248	\$ 4,639,248

\* Pooled trust funds are not categorized as they are not evidenced by securities that exist in physical or book entry form. Investments are stated at fair value.

**Inventories** - Inventories that benefit future periods are recorded as expenditures during the year in which they are consumed.

**Prepaid Expenses** - Prepaid items are expensed in the period benefited.

**Property, Plant and Equipment - General Fixed Assets** - General fixed assets are those that have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized along with other general fixed assets. All fixed assets are valued at cost. Donated fixed assets are valued at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

**Property, Plant and Equipment - Proprietary (Enterprise) Funds** - Property, plant and equipment owned by the Proprietary Funds are stated at cost. Donated fixed assets are valued at their estimated fair market value on the date donated. Depreciation of all exhaustible fixed assets, including contributed fixed assets, used by Proprietary Funds is charged as an expense against their operations and closed to retained earnings. Depreciation has been provided on a straight-line basis over the estimated useful lives as follows:

Buildings, structures and improvements	50 years
Equipment	7-15 years
Distribution reservoirs and standpipes	50 years

**Capital Leases** - Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Assets and General Long-Term Debt Account Groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates implicit in the leases, is reported as a reduction of the capital lease obligations in the General Long-Term Debt Account Group.

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

FOR MANAGEMENT  
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**Note 1 - Summary of Significant Accounting Policies (Continued):**

**Fund Equity - Reserves and Designation** - Portions of fund equity applicable to the employee retirement system, encumbrances, prepaid expenditures and endowments are segregated for future use and are therefore not available for future appropriation or expenditure. A portion of the fund balance has been reserved for encumbrances that will be expended upon vendor performance in the following year.

The reserve for endowments represents the portion of Nonexpendable Trust Fund balances that are restricted by agreements for specific uses. Designated fund balance indicates that portion of fund equity for which the Town has made tentative future expenditure plans.

**Contributed Capital** - The Enterprise Funds records donations for acquisition of fixed assets as contributed capital.

**F. Revenues, Expenditures and Expenses:**

**Property Taxes** - The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A revaluation of all real property is required to be completed no less than every ten years. The Town revalued its property as of October 1, 1994. The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the town. A mill rate was applied to the Grand List. Liens are placed on delinquent accounts in June following the levy date.

Taxes are due in two equal installments on the July 1 and January 1 following the levy date, although a 30-day grace period is provided. Current tax collections for the year ended June 30, 2002 were 96% of the adjusted tax levy. Uncollected property taxes are recorded as receivables, net of an allowance for estimated uncollectible accounts. The revenue relating to property taxes not collected during the fiscal year and within 60 days after the close of the fiscal year is deferred.

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

Compensated absences are accrued at current salary rates. At June 30, 2002, the portion of compensated absences that is expected to be paid out of current funds has been recorded as a fund liability in the General Fund. The balance is recorded in the General Long-Term Debt Account Group as this portion of the liability will not be liquidated with expendable available financial resources. The liability in the Proprietary Funds has also been accrued at June 30, 2002.

**G. Interfund Operating Transfers:**

Interfund operating transfers are transactions that shift revenues or contributions from the fund budgeted to receive them to the fund budgeted to expend them; these transactions are recorded as transfers in and out.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

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 ENGAGEMENT LETTER.

**Note 1 - Summary of Significant Accounting Policies (Continued):**

**H. Comparative Data:**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data by every fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**I. Total Columns on the Combined Statements:**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America, nor are such data comparable to a consolidation.

**Note 2 - Stewardship, Compliance and Accountability:**

Expenditures exceeded appropriations in the General Fund at the following departmental levels:

Board of Education	\$ 55,527
Streetlighting	5,798
Other public safety	42,236
Miscellaneous	67,725
Finance:	
Accountants	4,795
Town Manager	15,439
Law	16,650
Registrars	3,555
Other:	
Conservation Committee	14,566
Data Processing	3,370
Town planner	10,624
Welfare	821
Parks and Recreation:	
Organized recreation	3,701
Capital Outlay:	
Public Safety	5,524

The following fund had a fund deficit at June 30, 2002:

Special revenue funds:	
Dog fund	\$ 13,241
Brownsfield Pilot Program	5,765

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

DRAFT ONLY FOR INFORMATIONAL PURPOSES, ENGAGEMENT FOR THIS DRAFT IS SUBJECT TO CHANGE

**Note 3 - Detail Notes on All Funds and Account Groups:**

**A. Assets:**

**Property Taxes Receivable** - Gross receivables for 2002 reduced by allowance for uncollectible accounts are as follows:

	Gross Receivable	Allowance for Uncollectible Accounts	Net Receivable
General Fund: Property taxes	\$ 921,252	\$ 39,000	\$ 882,252

**Changes in General Fixed Assets** - A summary of changes in general fixed assets follows:

	Balance July 1, 2001	Additions	Adjustments and Deletions	Balance June 30, 2002
Land and improvements	\$ 1,000,080	\$ -	-	1,000,080
Buildings and improvements:				
Schools	13,022,140	80,234	-	13,102,374
Town Hall	899,279	-	-	899,279
Senior Citizens Center	447,170	130,543	-	577,713
Fire Department	115,770	-	-	115,770
Other	265,849	-	-	265,849
Vehicles and equipment:				
Schools	2,765,532	206,860	-	2,972,392
Town	5,894,502	121,805	-	6,016,307
	\$ 24,410,322	\$ 539,442	-	24,949,764

**Summary of Proprietary Fund Property, Plant and Equipment** - A summary of Proprietary Fund property, plant and equipment at June 30, 2002 follows:

Land	\$ 85,476
Buildings, structures and improvements	42,277,957
Equipment	765,318
Distribution reservoirs and standpipes	487,871
Construction in process	3,770,671
	47,387,293
Less accumulated depreciation	9,859,274
Net Property, Plant and Equipment	\$ 37,528,019

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

DRAFT ONLY FOR MANAGEMENT  
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**Note 3 - Detail Notes on All Funds and Account Groups (Continued):**

**B. Liabilities:**

**Bond Issues** - Bonds payable at June 30, 2002 are comprised of the following issues:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2002</u>
General purposes:					
Public improvements:					
School Renovations	11/15/88	7,430,000	6.977%	11/15/2008	2,555,000
Water and sewer:					
Water Revenue	4/16/90	2,800,000	6.5 & 8.5%	4/16/2010	1,120,000
Sewer Inflow and Infiltration	6/2/89	1,452,600	5.0%	6/2/2015	725,900
Wastewater Treatment	6/2/89	4,183,800	6.25%	6/2/2015	2,092,100
Wastewater Treatment	6/2/89	405,600	5.75%	6/2/2015	202,800
Highland Lake Sewer Project	6/22/94	4,353,400	5.0%	6/22/2024	3,193,400
Wastewater Treatment	6/26/98	4,132,300	4.50%	6/26/2018	3,305,840
Water Treatment Plant	8/3/98	995,400	4.50%	8/3/2018	846,090
Water Mains	11/1/98	1,500,000	4.0328%	11/1/2013	1,200,000

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

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

DRAFT IS SUBJECT TO REVIEW AND POSSIBLE REVISION PURPOSES; ENGAGEMENT LETTER ONLY FOR MANAGEMENT

**Note 3 - Detail Notes on All Funds and Account Groups (Continued):**

**Summary of Bond Principal and Interest Payments** - The annual requirements to amortize bond principal and interest are as follows:

<u>Fiscal Year</u>	<u>General Long-Term Debt Account Group</u>		<u>Proprietary Funds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	375,000	166,780	873,785	649,039
2004	375,000	140,530	873,785	601,343
2005	375,000	114,280	873,785	554,574
2006	375,000	88,030	873,785	508,563
2007	375,000	61,593	873,785	462,851
Subsequent	680,000	47,570	8,317,205	2,552,538
	<u>\$ 2,555,000</u>	<u>\$ 618,783</u>	<u>\$ 12,686,130</u>	<u>\$ 5,328,908</u>

**Changes in General Long-Term Debt** - The following is a summary of transactions in the General Long-Term Debt Account Group for the year ended June 30, 2001:

	<u>Bonds and Notes Payable</u>	<u>Claims and Judgments</u>	<u>Accrued Vacation and Sick Leave Benefits</u>	<u>Obligations Under Capital Leases</u>	<u>Total</u>
Balance, July 1, 2001	\$ 2,930,000	\$ 965,306	\$ 941,409	\$ 478,029	\$ 5,314,744
Payments made under capital lease obligations				(198,343)	(198,343)
Capital lease obligations entered into				111,000	111,000
Debt retired	(375,000)				(375,000)
Decrease in heart and hypertension liability		(8,722)			(8,722)
Increase in accrued vacation and sick leave benefits			104,729		104,729
Balance, June 30, 2002	<u>\$ 2,555,000</u>	<u>956,584</u>	<u>1,046,138</u>	<u>390,686</u>	<u>4,948,408</u>

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 3 - Detail Notes on All Funds and Account Groups (Continued):

Obligations Under Capital Leases - The Town has entered into various capital leases for the purchase of fire trucks, police cruisers and other equipment. The leases require monthly lease payments through 2007. Future minimum lease payments as of June 30, 2002 are as follows:

Fiscal Year

2003	\$ 189,505
2004	110,012
2005	83,203
2006	24,198
2007	<u>23,199</u>
Total minimum lease payments	430,117
Less amount representing interest	<u>39,431</u>
 Present Value of Future Minimum Lease Payments	 \$ <u><u>390,686</u></u>

The Town is subject to the General Statutes of the State of Connecticut which limits the amount of debt outstanding at June 30, 2002 . In no case shall total indebtedness exceed seven times annual receipts from taxation. The maximum debt amount permitted under this formula would be approximately \$113 million.

Employee Retirement System:

Plan Description

The Town of Winchester is the administrator of a single-employer public employee retirement system (PERS) established and administered by the Town to provide pension benefits for its municipal employees. The PERS is considered to be part of the Town of Winchester's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund.

The Town of Winchester Employees' Retirement Fund covers all eligible employees of the Town. The Town provides all retirement, death and disability benefits through a single employer, contributory defined benefit plan. Under the Plan, all full time employees paid from the General Fund of the Town who elect to make employee contributions after six months of employment are eligible to join. Police officers covered by MERF B, and employees covered by the State of Connecticut Teachers Retirement Plan and alternate funding source employees are not eligible to participate in this Plan.

Employees are 100% vested after five years of continuous service, if their contributions remain in the fund upon termination. Employees who retire at normal retirement (the later of age 65 or 5 years of service) receive a retirement benefit for life of 2% times years of credited service (maximum of 25) of the highest average three consecutive years of compensation out of the last ten prior to retirement. No cost of living adjustments are included. Member's contributions are returnable on termination or on death while active, or after retirement (less any benefits paid), provided in each case that no death benefits are otherwise paid.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

DRAFT ONLY FOR REVIEW PURPOSES; ENGAGEMENT COMPLETE; THIS DRAFT IS NOT FOR DISTRIBUTION

Note 3 - Detail Notes on All Funds and Account Groups (Continued):

Plan membership consisted of the following at January 1, 2000, the date of the latest actuarial valuation:

Retirees, disabled and beneficiaries currently receiving benefits	20
Terminated employees entitled to benefits but not yet receiving them	7
Current plan members	<u>67</u>
Total	<u>94</u>

Summary of Significant Accounting Policies

**Basis of Accounting:** The Town of Winchester Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments:** All funds are invested and administered through Fleet Bank, sole Trustee, and are reported at fair value. Investment income is recognized as earned.

Funding Policy

Plan participants are required to contribute to the Plan 2.5% of their earnings up to the Social Security base and 5% of earnings over the Social Security base. The Town is required by its Charter to contribute the remaining amounts necessary to fund the Plan. For the year ended June 30, 2002 the Town's required contribution was \$217,710 which represents 8.2% of covered payroll of \$2,483,046.

Administrative costs of the Plan are financed through investment earnings.

Concentrations

Those investments in any organization that represent 5% or more of net assets available for benefits at June 30, 2002 are as follows:

Fleet Bank:	
Fleet Stable Asset Fund	\$ 607,007
Galaxy Equity Growth Class H - Trust	808,847
Galaxy Equity Value FD Trust Class	805,850

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

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Note 3 - Detail Notes on All Funds and Account Groups (Continued):

Annual Pension Cost and Net Pension Obligations

The Town of Winchester's annual pension cost and net pension obligation to the Town of Winchester Employees' Retirement Fund for the year ended June 30, 2002 were as follows:

Annual required contribution (ARC)	\$	204,443
Interest on net pension obligation		-
Adjustment to annual required contribution		-
		-
Annual pension cost		204,443
Contributions made**		204,443
		-
Increase in net pension obligation		-
Net pension obligation, beginning of year		-
		-
Net Pension Obligation, End of Year	\$	-

\*\* Contribution will be made prior to 6/30/03

The annual required contribution for the current year was determined as part of the January 1, 2001 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) an 8.5 % investment rate of return and (b) 5% projected salary increases. Both (a) and (b) included an inflation component of 3.5%. The assumptions did not include cost of living increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The Plan is fully funded and, therefore, immediate recognition of gains and losses is applied. The remaining amortization period for benefit improvements as of January 1, 2001 is 30 years, open method. The plan does not issue a stand-alone financial report.

Significant actuarial assumptions used in the valuation as of January 1, 2001 are as follows:

Inflation rate	3.50%
Investment Return	8.50%
Projected salary increases	5.00%
Amortization method	Level dollar
Amortization period	30 year open

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

DATE THIS DRAFT IS CURRENT

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
6/30/00	\$ 95,805	\$ 95,805	100	%
6/30/01	188,481	188,481*	100	-
6/30/02	204,443	204,443**	100	-

\* Contribution was made prior to June 30, 2002

\*\* Contribution will be made prior to June 30, 2003

Note 3 - Detail Notes on All Funds and Account Groups (Continued):

Required Supplementary Information

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/96	\$ 2,811,978	\$ 2,811,978	\$ -	100.0%	\$ 1,905,623	-%
1/1/97	3,231,242	3,113,776	(117,466)	103.8	1,965,683	(6.0)
1/1/98	3,673,330	3,541,261	(132,069)	103.7	1,934,556	(6.8)
1/1/99	4,053,007	3,926,577	(126,430)	103.2	2,118,074	(6.0)
1/1/00	4,418,779	4,196,794	(221,985)	105.3	2,297,628	(9.7)
1/1/01	4,993,180	4,626,646	(336,534)	107.9	2,483,046	(14.8)

Schedule of Employer Contributions:

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/97	\$ 194,311	100%
6/30/98	86,382	100%
6/30/99	61,366	100%
6/30/00	95,805	100%
6/30/01	188,481	100%
6/30/02	204,443	100% *

\* Contribution will be made prior to 6/30/03

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

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Note 3 - Detail Notes on All Funds and Account Groups (Continued):

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Actuarial cost method	Projected Unit Credit
Asset valuation method	4-year smoothed market value

Teachers' Retirement System

Teachers participate in a contributory retirement plan administered by the State Teachers' Retirement Board. Neither the Board of Education nor the Town have a legal obligation to contribute to the retirement fund.

All certified teachers are eligible to participate in the plan and are required to contribute 7% of their annual earnings. The Board of Education does not contribute to the plan. Prior to July 1, 1989, teachers were vested in their contributions up to 5% of their earnings prior to five years of service. After five years of service teachers were fully vested in their own contributions. After ten years of service teachers are fully vested and entitled to a monthly pension benefit that is payable at the age of 60. The State of Connecticut contributes amounts based on the actuarial reserve basis described in C.G.S Sections 10-183 b (7). The State's contribution to the plan on behalf of the Town of Farmington for the fiscal year ended June 30, 2002 was \$427,677 and is recognized in the General Fund GAAP-basis income statement. For the year ended June 30, 2002, teachers of the Town of Winchester contributed \$399,059 to the plan, and covered payroll for the year was \$5,700,843.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED



Note 3 - Detail Notes on All Funds and Account Groups (Continued):

Municipal Employees' Retirement System:

Plan Description

All Town of Winchester employees not covered by the Town pension plan or the teacher retirement system participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing, multiple employer public employee retirement system (PERS) defined benefit plan established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial report as a pension trust fund. MERS issues a publicly available financial report that may be obtained by writing to the State of Connecticut, Office of the State Comptroller, Municipal Employees' Retirement Fund, 55 Elm Street, Hartford, CT 06106.

Any local government authority in the State of Connecticut, including towns, cities, boroughs, regional school districts, housing authorities or other special districts, may elect to participate for one or more of its departments, including elective officers; only teachers, who are covered under the Connecticut State Teachers' Retirement System, are ineligible. As of July 1, 2001, the most recent valuation available, there were 164 participating local government units (counting departments of municipalities which joined or reported separately as separate units).

Membership in the plan at July 1, 2001 consisted of the following:

	<u>Retirees and Beneficiaries</u>	<u>Terminated Vested</u>	<u>Active Vested</u>	<u>Active Nonvested</u>
Police and Fire:				
a. Without Social Security	\$ 246	\$ 4	\$ 327	\$ 120
b. With Social Security	154	5	248	102
General:				
a. Without Social Security	2,066	47	1,804	957
b. With Social Security	2,098	130	2,880	1,795
Withdrawn Municipalities	8	-	N/A	N/A
<b>Total Members</b>	<b>\$ 4,572</b>	<b>\$ 186</b>	<b>\$ 5,259</b>	<b>\$ 2,974</b>

Plan provisions are set by statute of the State of Connecticut. MERS provides retirement benefits as well as death and disability benefits. Annual cost-of-living increases between 3% and 5% are paid to disabled members and nondisabled retired members over age 65. Effective January 1, 2002, all other retired members will receive a 2.5% annual adjustment until age 65, at which point they will receive the same cost-of-living adjustment as those currently 65. For those retiring after December 31, 2001, annual cost-of-living increases will be between 2.5% and 6%.) Benefits vest after 5 years of continuous service. Members who retire after age 55 with 5

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

**Note 3 - Detail Notes on All Funds and Account Groups (Continued):**

years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/2% of the three-year average of earnings not in excess of the year's breakpoint, plus 2% of the three-year average of earnings in excess of the year's breakpoint. The year's breakpoint for 2001 is \$32,400.

Covered employees are required by State statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining cost of the plan.

**Summary of Significant Accounting Policies**

**Basis of Accounting:** MERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

**Method Used to Value Investments:** Retirement trust funds can invest in the following investment pools maintained by the State of Connecticut.

Mutual Fixed Income Fund - Investments consist principally of bonds and notes.

Mutual Equity Fund - Investments consist principally of common stocks.

Real Estate Fund - Investments consist principally of interest in commingled equity real estate funds.

Mutual Commercial Mortgage Fund - Investments consist principally of interest in commercial mortgages.

Mutual Venture Capital Fund - Investments consist principally of interests in venture capital partnerships that have common stock interests in emerging businesses.

Mutual International Stock Fund - Investments consist principally of international equity securities.

**Note 3 - Detail Notes on All Funds and Account Groups (Continued):**

Investments in the pooled funds are valued at cost. Market values of the investment pools are determined by the Master Custodian based on the performance of the underlying securities. Investment income is recognized as earned. Gains and losses on sales and redemptions of

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

investments are recognized on the transaction date. There are no investments in any organizations that represent 5% or more of the net assets available for benefits.

#### Funding Status and Progress

The actuarial accrued liability is a measure that uses the benefit provisions and is intended to (i) help users assess the plan's funding status on a going-concern basis, and (ii) assess progress being made in accumulating sufficient assets to pay benefits when due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the entry age actuarial cost method. Entry age was established by subtracting credited service from current age on the valuation date. Assumptions, including projected pay increases, were the same as those used to determine the annual required contribution between entry age and assumed exit age.

The actuarial value of assets is based on a market-related method that recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased in over a closed five-year period.

The actuarial accrued liability was determined as part of an actuarial valuation at July 1, 2001.

Significant actuarial assumptions used include:

- a. Rate of return on the investment of present and future assets of 8.5% per year compounded annually.
- b. Projected salary increases of 3.75% per year compounded annually, attributable to inflation.
- c. Additional projected salary increases ranging from 7.5% to .75%, per year, attributable to seniority/merit.
- d. Postretirement benefit increases of 5% per year compounded annually, applied only to the benefits of disabled retirees, retirees who have reached age 65 and beneficiaries of deceased retirees who would have reached age 65, who are currently on the roll. For all others currently on the roll, 2.5% compounded annually. For current active members, 2.6% compounded annually.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

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**Note 3 - Detail Notes on All Funds and Account Groups (Continued):**

Actuarial accrued liability as of July 1, 2001:

Active members	\$ 571,052,283
Retirees and beneficiaries currently receiving benefits	652,172,316
Terminated employees not yet receiving benefits	14,880,702
Total actuarial accrued liability	1,238,105,301
Actuarial value of assets	1,353,141,245
Unfunded actuarial accrued liability	\$ (115,035,944)

During the year there were no changes in benefit provisions, actuarial assumptions, or methods since the last valuation.

**Contributions Required and Contributions Made**

Each participating municipality is required by State statute to pay an actuarially determined percentage of covered payroll to provide for benefits based on current service. This percentage varies by police and fire versus general city employees, and within those two groups, with versus without Social Security. The statute also requires each municipality to pay an annual amount for benefits based on service prior to the unit's date of participation. This amount is a level dollar amortization (including interest and principal) over varying time periods depending on the unit's date of participation and other factors.

- a. The contributions are actuarially determined using the entry age normal method.
- b. The actuarial assumptions are the same as those used to compute the actuarial accrued liability discussed above.
- c. Contributions totaling \$26,661,777 (\$15,294,684 employer and \$11,367,093 employee) were made for the plan year ended June 30, 2002 in accordance with actuarially determined contribution requirements based on an actuarial valuation performed as of July 1, 2001. These contributions consisted of: (a) \$21,715,318 normal cost and (b) \$4,946,459 amortization of the unfunded actuarial accrued liability. The employer and employee contributions represent 4.9% and 3.7% of covered payroll, respectively, as of July 1, 2001.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Contributions for employees of the Town of Winchester were as follows:

Schedule of Employer Contributions:

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/00	\$ 95,805	100%
6/30/01	188,481	100%
6/30/02	204,443	100%

Note 3 - Detail Notes on All Funds and Account Groups (Continued):

Ten-Year Historical Trend Information

Ten-year historical trend information designed to provide information about MERS' progress made in accumulating sufficient assets to pay benefits when due is presented below. The schedule of funding progress is shown in millions of dollars.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	Unfunded AAL as a Percentage of Covered Payroll
7/1/92	\$ 545	\$ 539	101%	\$ (6)	\$ 203	(3)%
7/1/93	601	586	103	(15)	215	(7)
7/1/94	653	635	103	(18)	226	(8)
7/1/95	711	661	108	(50)	237	(21)
7/1/96	782	692	113	(90)	243	(37)
7/1/97	872	731	119	(141)	246	(57)
7/1/98	980	814	120	(166)	258	(64)
7/1/99	1,101	860	128	(241)	269	(90)
7/1/00	1,252	1,153	109	(99)	290	(34)
7/1/01	1,353	1,238	109	(115)	311	(37)

The schedule of revenues by source and expenses by type is shown in millions of dollars.

Fiscal Year	Revenues by Source						Expenses by Type		
	Employee Contributions	Employer Contributions*	Investment Income	Realized Gains	Other	Total	Benefits	Refunds	Total
1991-92	\$ 7.0	\$ 22.4	\$ 23.2	\$ 6.7	\$ -	\$ 59.3	\$ 24.2	\$ 1.0	\$ 25.2
1992-93	7.3	24.1	24.8	4.8	-	61.0	26.5	0.8	27.3
1993-94	7.8	23.1	25.6	1.8	-	58.3	29.2	0.9	30.1
1994-95	7.6	22.2	28.1	1.2	-	59.1	31.4	1.2	32.6
1995-96	8.4	23.2	31.3	12.8	-	75.7	33.6	1.2	34.8
1996-97	8.4	21.3	34.9	(15.4)	-	49.2	36.5	1.0	37.5

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

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1997-98	8.5	18.8	38.2	55.3	-	120.8	40.4	1.2	41.6
1998-99	9.7	18.1	38.9	0.1	-	66.8	43.6	1.4	45.0
1999-00	12.3	32.0	47.7	24.5	-	116.5	48.4	1.3	49.7
2000-01	10.7	15.5	46.2	(0.3)	-	72.1	52.1	1.4	53.5
2001-02	11.4	15.3	44.8	(0.0)	-	71.5	55.8	1.2	57.0

\* Contributions were made in accordance with actuarially determined requirements.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

CITY OF WINCHESTER  
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Note 3 - Detail Notes on All Funds and Account Groups (Continued):

Interfund Receivables and Payables - Individual interfund receivable and payable balances at June 30, 2002 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 283,294	\$ 218,283
Special Revenue Funds:		
Small Cities		14,016
Industrial Park #2		3,200
Dog Fund	685	18,512
Federal and State Education Grants	139,687	
Sewer Assessment Fund	121,225	
Town Aid Roads Fund	46,278	831
Infrastructure Grant 1	82,176	
Winchester Emergency Shelter		9,338
Brownsfield Pilot		5,817
Other	2,548	58,841
Enterprise Funds:		
Waterworks	24,118	246,707
Sewer	158,410	275,199
Nonexpendable Trust Funds:		
Other		3,141
Fiduciary Funds:		
Town Deposit		4,536
	\$ 858,421	\$ 858,421

C. Equity:

Contributed Capital - There were no changes in the Town's contributed capital accounts for its Enterprise Funds for the year ended June 30, 2002.

TOWN OF WINCHESTER, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

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**Note 4 - Segment Information:**

The Town through its Enterprise Funds is engaged in the management and operation of a water and sewer system. Segment information for the year ended June 30, 2002 follows:

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues	\$ <u>1,703,866</u>	<u>1,303,830</u>	<u>3,007,696</u>
Operating expenses	\$ <u>1,342,262</u>	<u>1,654,092</u>	<u>2,996,354</u>
Depreciation expense	\$ <u>383,888</u>	<u>546,464</u>	<u>930,352</u>
Operating income (loss)	\$ <u>361,604</u>	<u>(350,262)</u>	<u>11,342</u>
Nonoperating revenues (expenses)	\$ <u>936,304</u>	<u>(183,215)</u>	<u>753,089</u>
Transfers	\$ <u>-</u>	<u>145,000</u>	<u>145,000</u>
Net income (loss)	\$ <u>1,297,908</u>	<u>(388,477)</u>	<u>909,431</u>
Rents receivable, net of allowance for uncollectible accounts	\$ <u>256,049</u>	<u>156,449</u>	<u>412,498</u>
Acquisition and construction of capital assets	\$ <u>1,276,109</u>	<u>15,881</u>	<u>1,291,990</u>
Total assets	\$ <u>18,252,227</u>	<u>22,108,461</u>	<u>40,400,603</u>
Net working capital	\$ <u>46,148</u>	<u>909,266</u>	<u>955,414</u>
Bonds and notes payable (payable from operating revenues)	\$ <u>6,471,930</u>	<u>6,214,200</u>	<u>12,686,130</u>
Total fund equity	\$ <u>11,027,000</u>	<u>15,490,660</u>	<u>26,517,660</u>

**Note 5 - Summary Disclosure of Significant Contingencies and Commitments:**

The Town of Winchester and two other towns are served by Regional Refuse District No. 1, a legislatively chartered entity. Regional Refuse District No. 1 has been identified by the EPA as a potentially responsible party (PRP) and has been designated as a National Priorities List. Superfund-related expenditures have been included in the District's operating budget. The towns served by the District are required to pay any shortfall in the Regional Refuse District No. 1 operating budget. The Town of Winchester pays approximately 54.6% of such shortfall. No estimate of a future liability can be assessed at this time. The Town owns an additional inactive landfill which has been closed and capped for a number of years. No post-closure costs are anticipated at this time.

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TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 5 - Summary Disclosure of Significant Contingencies and Commitments (Continued):

The Town of Winchester is subject to certain orders of the Commissioner of Environmental Protection and the Commissioner of Public Health and Addiction Services of the State of Connecticut with respect to the Town's water system and abatement of water pollution.

The Town of Winchester and its employees are defendants in numerous claims and legal actions. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually, or in the aggregate, in a final judgment against the Town that would materially adversely affect its financial position.

The Town participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2002 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

At June 30, the ~~Town had commitments of approximately \$0 for~~ the replacement of water mains.

Note 6 - Long-Term Loans Receivable:

At June 30, 2002, the Town had long-term loans outstanding of \$2,059,873 in connection with the Small Cities Grant Programs. This grant allows the Town to make loans to qualifying individuals for use in improving low-to-moderate-income housing. Loans to nonoccupant owners generally require a matching of funds by the owner in a ratio of 75% grant funds to 25% owner funds. These loans are amortized over a 10-year period, including interest at 6% per annum. Loans to occupant owners are made on a wide variety of repayment terms which range from 10 years to due in full upon sale of the residence. Interest charged on the owner occupant loans ranges from -0% to 3% per annum. All loans are secured through a lien on the property.

Note 7 - Risk Management:

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks did not exceed commercial insurance coverage during the years ended June 30, 2000, 2001 and 2002. Town insurance can be described as follows:

Interlocal Risk Pool

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes.

TOWN OF WINCHESTER, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 7 - Risk Management (Continued):

The Town is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool, that began on July 1, 1980. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 235 members in the Workers' Compensation Pool. The coverage is subject to an incurred loss retrospective rating plan and losses incurred in coverage period 2001-02 will be evaluated at 18, 30 and 42 months after the effective date of coverage. The deposit contribution (premium) paid in 2001-02 by the Town was \$165,300. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains up to \$750,000 per occurrence. Claims over \$750,000 are reinsured.

Payments to the Workers' Compensation Pool are made through the General Fund.

Note 8 - Subsequent Event:

On August 16, 2002, the Town refinanced the outstanding principal of a \$4,183,800 General Obligation Bond, Issue of 1989, a \$1,452,600 General Obligation Bond, Issue of 1989, a \$405,600 General Obligation Bond, Issue of 1989, each dated June 2, 1989, and a \$1,382,500 General Obligation Bond, Issue of 1994, a \$912,300 General Obligation Bond, Issue of 1994, and a \$2,058,600 General Obligation Bond, Issue of 1994, each dated as of June 21, 1994. These bonds were refinanced with an issuance of \$6,455,000 of General Obligation Bonds.

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**SUPPLEMENTAL INFORMATION**

SHOULD BE USED FOR...  
EXCEPTION PURPOSES; EMERGENCY...  
WHEN THIS DRAFT IS SUBMITTED

GENERAL FUND

To account for the general operations of the Town, except those required to be accounted for in another fund.

## GENERAL FUND

## COMPARATIVE BALANCE SHEETS

JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,343,504	\$ 1,455,259
Property taxes receivable, net	882,252	914,762
Receivable from State of Connecticut	359,160	345,774
Other receivables	281,783	387,238
Due from other funds	283,294	202,293
Other assets	<u>87,972</u>	<u>62,445</u>
Total Assets	<u>\$ 4,237,965</u>	<u>\$ 3,367,771</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 574,987	\$ 466,581
Due to other funds	218,283	196,557
Accrued pension contribution	347,422	167,506
Deferred revenue	854,592	775,868
Total liabilities	<u>1,995,284</u>	<u>1,606,512</u>
<b>Fund Balances:</b>		
<b>Reserved:</b>		
Encumbrances	394,693	732,361
Prepaid expenditures	87,972	62,445
<b>Unreserved:</b>		
Undesignated	<u>1,760,016</u>	<u>966,453</u>
Total fund balances	<u>2,242,681</u>	<u>1,761,259</u>
Total Liabilities and Fund Balances	<u>\$ 4,237,965</u>	<u>\$ 3,367,771</u>

## TOWN OF WINCHESTER, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASISFOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Revenues:				
Tax collector:				
General property taxes	15,963,963	15,858,099	\$ (105,864)	\$ 14,471,539
Interest and lien fees	253,000	247,443	(5,557)	258,868
Total tax collector	<u>16,216,963</u>	<u>16,105,541</u>	<u>(111,422)</u>	<u>14,730,407</u>
Intergovernmental revenues:				
Education Equalization Grants	6,536,849	6,425,246	(111,603)	6,213,961
Tax relief for elderly and disabled	120,000	101,645	(18,355)	107,707
Elementary transportation	298,357	286,351	(12,006)	299,147
Town Aid Roads	172,867	171,278	(1,589)	172,867
Surplus revenue sharing		118,731	-	-
Soldiers monument restoration	300,000		(300,000)	
School Education Equity			-	
Manufacturers' PILOT Grant	399,000	432,518	33,518	399,105
Reimbursement for private property tax exemptions	215,859	220,469	4,610	224,791
Reimbursement for revenue loss on motor boats	14,829	14,829	-	14,829
Highland lake catch basins	100,000		(100,000)	
Civil defense	2,000	3,299	1,299	3,021
Locip	219,000	206,611	(12,389)	30,777
Bridges	500,000		--	
Dispatch console			-	
Pequot-State property	239,428	290,643	51,215	289,757
Senior citizens DMR Grant program - highways			-	26
Miscellaneous grants	41,507	5,665	(35,842)	
Telecommunications property taxes	168,477	203,809	35,332	168,477
School renovation project	368,629	368,628	--	385,221
Blind Grant		15,235	15,235	-
Route 8 realignment			-	-
Main Street Enhancement		61,766	61,766	-
Emergency Generator-Fire Dept CAMA grant			-	-
Total intergovernmental revenues	<u>9,696,802</u>	<u>8,926,724</u>	<u>(770,078)</u>	<u>8,547,790</u>

(Continued on following page)

## TOWN OF WINCHESTER, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002			2001 Actual
	Revised Budget	Actual	Variance - Favorable (Unfavorable)	
<b>Other revenues:</b>				
Interest income	\$ 200,000	\$ 62,430	\$ (137,570)	\$ 148,837
Sale of equipment and land	7,500	20,532	13,032	45,729
Town Clerk	120,000	142,548	22,548	104,055
Parking fines	27,614	19,314	(8,300)	17,238
Anthem proceeds		804,506	804,506	-
Building permits	75,000	133,018	58,018	80,008
Zoning and inspection fees	8,000	14,110	6,110	11,013
Fire Marshall revenue	250	100	(150)	180
Cemeteries - grave openings	22,000	20,765	(1,235)	9,060
Senior Citizen Center receipts	6,450	6,800	350	-
Cemeteries	11,000	15,379	4,379	18,040
Police reports	1,500	0	(1,500)	72
Police permits	1,000	1,448	448	1,588
Probate Court	550	1,311	761	
Ambulance revenue			-	
Miscellaneous	298,552	197,975	(100,577)	185,196
Total other revenues	<u>779,416</u>	<u>1,440,236</u>	<u>660,820</u>	<u>635,117</u>
<b>Total revenues</b>	<u>26,693,181</u>	<u>26,472,501</u>	<u>(220,680)</u>	<u>23,913,314</u>
<b>Expenditures:</b>				
Board of Education	<u>16,045,175</u>	<u>16,100,702</u>	<u>(55,527)</u>	<u>14,811,130</u>
<b>Public works:</b>				
Highways	1,667,914	1,607,405	60,509	1,645,515
Streetlighting	120,000	125,798	(5,798)	130,548
Total public works	<u>1,787,914</u>	<u>1,733,203</u>	<u>54,711</u>	<u>1,776,063</u>
<b>Public safety:</b>				
Police Department	2,017,745	1,983,223	34,522	1,886,206
Fire Department	362,244	328,038	34,206	319,648
Other public safety	149,098	191,334	(42,236)	214,759
Civil defense	8,460	7,169	1,291	7,263
Ambulance service	84,445	84,445	-	71,390
Total public safety	<u>2,621,992</u>	<u>2,594,209</u>	<u>27,783</u>	<u>2,499,266</u>
Miscellaneous	<u>908,462</u>	<u>976,187</u>	<u>(67,725)</u>	<u>861,068</u>

(Continued on following page)

## TOWN OF WINCHESTER, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
General government:				
Finance:				
Accountants	\$ 133,715	138,510	\$ (4,795)	\$ 132,379
Assessor	117,684	116,621	1,063	112,657
Tax collector	59,118	56,773	2,345	60,393
Treasurer	5,925	5,925	-	5,925
Total finance	<u>316,442</u>	<u>317,828</u>	<u>(1,386)</u>	<u>311,354</u>
Buildings	<u>144,536</u>	<u>122,790</u>	<u>21,746</u>	<u>144,918</u>
Town Manager	<u>207,146</u>	<u>222,585</u>	<u>(15,439)</u>	<u>196,793</u>
Town Clerk	<u>137,238</u>	<u>131,260</u>	<u>5,978</u>	<u>114,579</u>
Selectmen	<u>29,565</u>	<u>29,183</u>	<u>382</u>	<u>28,340</u>
Law	<u>140,038</u>	<u>156,688</u>	<u>(16,650)</u>	<u>109,660</u>
Registrars	<u>32,276</u>	<u>35,831</u>	<u>(3,555)</u>	<u>30,454</u>
Boards	<u>22,260</u>	<u>11,601</u>	<u>10,659</u>	<u>14,372</u>
Other:				
Economic Development Commission	21,390	20,580	810	22,819
Probate Court	5,575	3,169	2,406	2,644
Soldiers Monument Commission	5,050	3,425	1,625	2,229
Laurel City Commission	3,500	3,500	-	3,038
Litchfield Conservation District	1,953	977	977	1,953
Conservation Commission	25,350	39,916	(14,566)	13,608
Shade Tree Committee	1,000	1,000	-	
Advisory Commission for Disabled	1,075	527	548	539
Data processing	128,690	132,060	(3,370)	123,336
Rural Transit Authority	2,018	2,018	-	1,823
Inland Wetlands Commission	5,250	4,351	899	36,684
Town Planner	181,924	192,548	(10,624)	155,769
Redevelopment Agency	10,762	10,700	62	24,438
Town of Winchester Historians	500		500	275
	<u>394,037</u>	<u>414,770</u>	<u>(20,733)</u>	<u>389,155</u>
Total general government	<u>1,423,538</u>	<u>1,442,535</u>	<u>(18,997)</u>	<u>1,339,625</u>

(Continued on following page)

## TOWN OF WINCHESTER, CONNECTICUT

## GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS (CONTINUED)FOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2001

	2002		Variance - Favorable (Unfavorable)	2001 Actual
	Revised Budget	Actual		
Welfare	\$ 43,833	44,654	\$ (821)	\$ 49,875
Health	182,820	182,310	510	210,311
Parks and recreation:				
Organized recreation	160,026	163,727	(3,701)	165,726
Municipal parks	14,800	11,155	3,645	8,020
Total parks and recreation	174,826	174,882	(56)	173,746
Library	196,980	196,980	-	174,533
Waste disposal and recycling	571,473	571,156	317	532,517
Debt service	567,843	567,843	-	672,054
Capital outlay:				
Public works	953,252	170,526	782,726	350,865
General government	647,941	319,845	328,096	55,688
Public safety	87,211	92,735	(5,524)	398,827
Riverfront recapture			-	
Miscellaneous	298,631	287,928	10,703	44,601
Total capital outlay	1,987,035	871,035	1,116,000	849,981
Total expenditures	26,511,891	25,455,697	1,056,194	23,950,169
Excess (Deficiency) of Revenues over Expenditures	181,290	1,016,804	835,514	(36,855)
Other Financing Sources (Uses):				
Operating transfers in	6,000	4,104	(1,896)	
Operating transfers out	(213,731)	(201,818)	11,913	(205,951)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (26,441)	\$ 819,090	\$ 845,531	\$ (242,806)

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## SPECIAL REVENUE FUNDS

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

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

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

Federal and State Education Grants - To account for revenues and expenditures of various education grants.

Fire Truck Fund - To accumulate funds for the purchase of a new fire truck for the Town.

Town Aid Roads Fund - To account for state grant revenues and expenditures for Town improved and unimproved roads.

Winchester Emergency Shelter Fund - To account for the state grant received for the Winchester Emergency Shelter.

Dog Fund - To account for the activities of the Town's Dog Warden, of which a portion of the fees must be paid to the State of Connecticut.

Sewer Assessment Fund - To account for the sewer assessment revenues and expenditures related to the Highland Lake sewer project.

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

Infrastructure Grants - To account for revenues and expenditures relating to water improvements, drain improvements and lighting.

Other - To account for proceeds and expenditures of diminutive miscellaneous non-intergovernmental grants and activities.

TOWN OF WINCHESTER, CONNECTICUT  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2002  
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001

	JUNE 30, 2002										2001		
	Small Cities Grants	Industrial Park #2	Cafeteria	Federal and State Education Grants	Fire Truck	Town Aid Roads Fund	Winchester Emergency Shelter	Dog Fund	Sewer Assessment Fund	Brownfields Pilot Program	Infrastructure Grant 1	Other	Totals
ASSETS													
Cash and cash equivalents	\$ 68,473	\$ 330,839	\$ 32,060	\$	\$ 3,486	\$ 841	\$ 31,043	\$ 5,449	\$	\$ 52	\$ 32,054	\$ 238,704	\$ 743,001
Accounts receivable:													
State of Connecticut			28,436					3,832	2,356,504			17,191	45,627
Other	2,059,873			139,687		46,278		685	121,225		82,176	2,548	4,420,209
Due from other funds			13,409										392,599
Other assets													13,409
<b>Total Assets</b>	<b>\$ 2,128,346</b>	<b>\$ 330,839</b>	<b>\$ 73,905</b>	<b>\$ 139,687</b>	<b>\$ 3,486</b>	<b>\$ 47,119</b>	<b>\$ 31,043</b>	<b>\$ 9,966</b>	<b>\$ 2,477,729</b>	<b>\$ 52</b>	<b>\$ 114,230</b>	<b>\$ 258,443</b>	<b>\$ 5,614,845</b>
LIABILITIES AND FUND BALANCES													
Liabilities:													
Accounts payable and accrued liabilities	\$ 25,899	\$	\$ 5,214	\$	\$	\$	\$ 4,669	\$ 4,695	\$ 3,548	\$ 5,817	\$	\$ 6,488	\$ 50,513
Due to other funds	14,016	3,200		2,934		831	9,338	18,512				58,841	110,555
Due to State of Connecticut		153,130		136,753									156,064
Deferred revenue	2,081,724								2,343,116				4,561,593
Total liabilities	2,121,639	156,330	5,214	139,687		831	14,007	23,207	2,346,664			65,329	4,878,725
Fund Balances:													
Unreserved:													
Undesignated	6,707	174,509	68,691		3,486	46,288	17,036	(13,241)	131,065	(5,765)	114,230	193,114	736,120
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,128,346</b>	<b>\$ 330,839</b>	<b>\$ 73,905</b>	<b>\$ 139,687</b>	<b>\$ 3,486</b>	<b>\$ 47,119</b>	<b>\$ 31,043</b>	<b>\$ 9,966</b>	<b>\$ 2,477,729</b>	<b>\$ 52</b>	<b>\$ 114,230</b>	<b>\$ 258,443</b>	<b>\$ 5,614,845</b>
													655,975
													5,791,284

TOWN OF WINCHESTER, CONNECTICUT  
 SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES

JUNE 30, 2002  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Small Cities Grants	Industrial Park #2	Cafeteria	Federal and State Education Grants	Fire Truck	Town Aid Roads Fund	Winchester Emergency Shelter	Dog Fund	Sewer Assessment Fund	Brownfields Pilot Program	Infrastructure Grant 1	Other	Totals
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Revenues:													
Federal and state grants	\$ 640		\$ 168,318	\$ 571,149	\$	\$	\$ 77,818	\$ 3,085	\$	\$ 45,195	\$	\$ 180,871	\$ 2,262,493
Commodity sales	38,810		238,798		54							2,268	238,798
Interest income		50,000							186,401				228,940
Program income			27,993					10,476	133,642				7,088
Special assessments	39,450	50,000	435,109	571,149	54		77,818	13,561	320,043	45,195		63,234	38,535
Other												246,373	164,343
Total revenues	96,959	600	419,090	571,149		161,727	56,610	50,810	166,759	50,982		200,630	2,928,955
Program and Project Expenditures													
Excess (Deficiency) of Revenues over Expenditures	(57,509)	49,400	16,019	-	54	(161,727)	21,208	(37,249)	153,284	(5,787)	-	45,743	249,909
Other Financing Sources (Uses):													
Operating transfers in													
Operating transfers out								30,540	(145,000)			(109)	205,951
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(57,509)	-	16,019	-	54	9,551	21,208	(6,709)	8,284	(5,787)	-	45,634	136,851
Fund Balances at Beginning of Year	64,216	125,109	52,672	-	3,432	36,737	(4,172)	(6,532)	122,781	22	114,230	147,480	519,124
Fund Balances at End of Year	6,707	174,509	68,691	-	3,486	46,288	17,036	(13,241)	131,065	(5,765)	114,230	193,114	655,975

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SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - TOWN AID  
ROADS FUND AND DOG FUND - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2002

	Town Aid Roads Fund		Dog Fund		Total		Variance - Favorable (Unfavorable)
	Revised Budget	Actual	Revised Budget	Actual	Revised Budget	Actual	
<b>Revenues:</b>							
License fees	\$ -	\$ -	\$ 10,000	\$ 8,670	\$ 10,000	\$ 8,670	\$ (1,330)
Miscellaneous revenues	-	-	2,500	4,890	2,500	4,890	2,390
Total revenues	-	-	12,500	13,560	12,500	13,560	1,060
<b>Expenditures:</b>							
Maintenance and expenditures							
Supplies and expenditures	172,867	161,727	53,364	50,810	226,231	212,537	13,694
Total expenditures	172,867	161,727	53,364	50,810	226,231	212,537	13,694
Deficiency of Revenues over Expenditures	(172,867)	(161,727)	(40,864)	(37,250)	(213,731)	(198,977)	14,754
Other Financing Sources:							
Operating transfers in	172,867	171,278	40,864	30,540	213,731	201,818	(11,913)
Excess (Deficiency) of Revenues and Other Sources over Expenditures	\$ -	\$ 9,551	\$ -	\$ (6,710)	\$ -	\$ 2,841	\$ 2,841
Fund Balances at Beginning of Year		36,737		(6,531)		\$ 30,206	
Fund Balances at End of Year	\$ 46,288		\$ (13,241)		\$ 33,047		



## ENTERPRISE FUNDS

Waterworks Fund - To account for the financial operations of the Winsted Waterworks. All necessary activities to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing, and billing and collection. Also included in this fund is the water treatment plant project. The Board of Selectmen, as empowered by the Town Charter, acts as the Water Board and oversees the operation of the Winsted Waterworks.

Sewer Fund - To account for the financial operations of the Town's sewer utility. All activities necessary to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing, and billing and collection. Also included in this fund are the inflow/infiltration analysis program, the wastewater treatment plant project and the Highland Lake sewer project. Authority over the operations of the Sewer Fund is with the Water Pollution Control Authority.

## TOWN OF WINCHESTER, CONNECTICUT

C-1

ENTERPRISE FUNDS,  
 COMBINING BALANCE SHEET

JUNE 30, 2002  
 WITH COMPARATIVE TOTALS FOR JUNE 30, 2001

	Waterworks	Sewer	Totals	
			2002	2001
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 214,938	\$ 1,036,891	\$ 1,251,828	\$ 1,228,603
Rents receivable, net of allowance for uncollectible accounts of \$8,670 (water) and \$4,732 (sewer) in 2001 and 2000	256,049	156,449	412,498	502,993
Grants receivable	317,969		317,969	-
Accrued utility revenue	408,000	259,846	667,845	671,403
Due from other funds	24,118	158,410	182,528	378,274
Total current assets	<u>1,221,073</u>	<u>1,611,596</u>	<u>2,832,669</u>	<u>3,044,990</u>
<b>Property, Plant and Equipment:</b>				
Land	57,556	27,920	85,476	85,476
Buildings, structures and improvements	15,734,901	26,543,055	42,277,957	42,277,956
Equipment	544,575	220,744	765,318	749,438
Distribution reservoirs and standpipes	487,871		487,871	487,871
Construction in process	3,770,671		3,770,671	2,494,562
Total fixed assets	<u>20,595,574</u>	<u>26,791,719</u>	<u>47,387,293</u>	<u>46,095,303</u>
Less accumulated depreciation	<u>3,564,420</u>	<u>6,294,854</u>	<u>9,859,274</u>	<u>8,928,922</u>
Net property, plant and equipment	<u>17,031,154</u>	<u>20,496,865</u>	<u>37,528,019</u>	<u>37,166,381</u>
Total Assets	<u>\$ 18,252,227</u>	<u>\$ 22,108,461</u>	<u>\$ 40,360,688</u>	<u>\$ 40,211,371</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Current portion of bonds payable	\$ 496,385	\$ 377,400	\$ 873,785	\$ 873,785
Accounts payable and accrued liabilities	431,833	49,731	481,564	421,849
Due to other funds	246,707	275,199	521,906	490,832
Total current liabilities	<u>1,174,925</u>	<u>702,330</u>	<u>1,877,255</u>	<u>1,786,466</u>
Accrued vacation and sick leave benefits	74,757	78,671	153,428	130,546
Bonds payable, net of current portion	<u>5,975,545</u>	<u>5,836,800</u>	<u>11,812,345</u>	<u>12,686,130</u>
Total liabilities	<u>7,225,227</u>	<u>6,617,802</u>	<u>13,843,028</u>	<u>14,603,142</u>
<b>Fund Equity:</b>				
Contributed capital	3,411,400	15,253,865	18,665,265	18,665,265
Retained earnings	7,615,600	236,795	7,852,395	6,942,964
Total fund equity	<u>11,027,000</u>	<u>15,490,660</u>	<u>26,517,660</u>	<u>25,608,229</u>
Total Liabilities and Fund Equity	<u>\$ 18,252,227</u>	<u>\$ 22,108,461</u>	<u>\$ 40,360,688</u>	<u>\$ 40,211,371</u>

## TOWN OF WINCHESTER, CONNECTICUT

C-2

## ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGSFOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Waterworks	Sewer	Totals	
			2002	2001
<b>Operating Revenues:</b>				
Rents	\$ 1,606,779	1,106,103	\$ 2,712,882	\$ 2,625,695
Fines, penalties and interest	78,529	73,824	152,353	158,429
Other	18,557	123,903	142,460	197,181
Total operating revenues	<u>1,703,866</u>	<u>1,303,830</u>	<u>3,007,696</u>	<u>2,981,305</u>
<b>Operating Expenses:</b>				
Operations	658,428	825,930	1,484,358	1,371,430
Maintenance	174,397	138,076	312,472	288,956
Depreciation	383,888	546,464	930,352	930,352
Administration	125,549	143,623	269,172	248,738
Total operating expenses	<u>1,342,262</u>	<u>1,654,092</u>	<u>2,996,354</u>	<u>2,839,476</u>
Operating Income (Loss)	<u>361,604</u>	<u>(350,262)</u>	<u>11,341</u>	<u>141,829</u>
<b>Nonoperating Revenues (Expenses):</b>				
State and federal grants	1,265,467		1,265,467	635,434
In-kind contribution	356,385		356,385	381,512
Interest income	262	8,176	8,438	49,420
Interest expense	(685,810)	(191,391)	(877,201)	(734,792)
Net nonoperating revenues (expenses)	<u>936,304</u>	<u>(183,215)</u>	<u>753,089</u>	<u>331,574</u>
Income (Loss) Before Operating Transfers	<u>1,297,908</u>	<u>(533,477)</u>	<u>764,431</u>	<u>473,403</u>
Operating Transfers In		<u>145,000</u>	<u>145,000</u>	<u>319,009</u>
Net Income (Loss)	<u>1,297,908</u>	<u>(388,477)</u>	<u>909,431</u>	<u>792,412</u>
Retained Earnings - Beginning of Year	<u>6,317,692</u>	<u>\$ 625,272</u>	<u>\$ 6,942,964</u>	<u>\$ 6,150,552</u>
Retained Earnings - End of Year	<u>\$ 7,615,600</u>	<u>\$ 236,795</u>	<u>\$ 7,852,395</u>	<u>\$ 6,942,964</u>

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Waterworks	Sewer	Totals	
			2002	2001
<b>Cash Flows from Operating Activities:</b>				
Operating income (loss)	\$ 361,604	\$ (350,262)	\$ 11,341	\$ 141,829
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	383,888	546,464	930,352	930,352
(Increase) decrease in operating assets:				
Rents receivable	47,228	48,000	95,228	4,720
Receivable from State of Connecticut	(54,252)		(54,252)	(263,717)
Accrued utility revenue	9,055	(10,229)	(1,174)	(38,144)
Amounts due from other funds	42,156	153,590	195,746	(284,616)
Increase (decrease) in operating liabilities:				
Accounts payable and accrued liabilities	64,384	18,210	82,594	276,829
Amounts due to other funds	(13,044)	44,120	31,076	224,048
Accrued vacation and sick leave benefits			-	3,448
Net cash provided by (used in) operating activities	<u>841,019</u>	<u>449,893</u>	<u>1,290,911</u>	<u>994,749</u>
<b>Cash Flows from Noncapital Related Financing Activities:</b>				
Operating transfers in	-	145,000	145,000	319,009
Net cash provided by noncapital related financing activities	<u>-</u>	<u>145,000</u>	<u>145,000</u>	<u>319,009</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Grants received from state and federal governments	1,265,467		1,265,467	635,434
Principal payments on bonds payable	(496,385)	(377,400)	(873,785)	(873,785)
Interest paid on notes and bonds payable	(685,810)	(191,391)	(877,201)	(734,792)
Acquisition and construction of capital assets	(919,724)	(15,881)	(935,605)	(699,368)
Net cash used in capital and related financing activities	<u>(836,452)</u>	<u>(584,672)</u>	<u>(1,421,124)</u>	<u>(1,672,511)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest income	262	8,176	8,438	49,420
Net cash provided by investing activities	<u>262</u>	<u>8,176</u>	<u>8,438</u>	<u>49,420</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,829	18,397	23,225	(309,333)
Cash and Cash Equivalents at Beginning of Year	210,109	\$ 1,018,494	1,228,603	1,537,936
Cash and Cash Equivalents at End of Year	<u>\$ 214,938</u>	<u>\$ 1,036,891</u>	<u>\$ 1,251,828</u>	<u>\$ 1,228,603</u>

## FIDUCIARY FUNDS

Pension Trust Fund - To account for contributions and pension benefits and other costs associated with the operation of the Town's pension plan.

### Nonexpendable Trust Funds:

Winchester School Trust Fund - To account for funds established to provide scholarships on an annual basis to local youth who excel in the school system.

Winchester Sinking Fund - To account for funds established for the retirement of debt. The fund balance must exceed \$75,000 before any funds can be utilized.

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

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

Other - To account for funds contributed to the Town, the income on which is used for decorating various grave sites and repairs and maintenance of the local parks.

### Expendable Trust Funds:

Winchester Memorial Parks Fund - To account for funds to be used for repairs and maintenance of local parks.

Other - To account for funds contributed to the Town which are to be used for a specified purpose.

### Agency Funds:

Town Deposit Fund - To account for funds used for public schools.

Student Activities Fund - To account for the Batcheller, Hinsdale and Pearson school activity funds.

General Assistance Fund - To account for financial assistance provided to local residents.

Other - To account for performance bonds held by the Town.

TOWN OF WINCHESTER, CONNECTICUT

D-1

FIDUCIARY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2002  
WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001

	Pension Trust Fund* 2001	Nonexpendable Trust Funds			
		Winchester School Trust	Winchester Sinking	Forest View Cemetery	Winchester Center Cemetery
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,639,248	\$ 60,881	\$ 80,041	\$ 138,020	\$ 38,260
Investments	506,565				
Contribution receivable					
Total Assets	\$ 5,145,813	\$ 60,881	\$ 80,041	\$ 138,020	\$ 38,260
					\$ 151,914
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Fiduciary deposits	\$ -	\$ -	\$ -	\$ -	\$ -
Due to General Fund					
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:					
Reserved for employee retirement system	5,145,813	60,881	80,041	138,020	38,260
Unreserved - undesignated					
Total fund balances	\$ 5,145,813	\$ 60,881	\$ 80,041	\$ 138,020	\$ 38,260
Total Liabilities and Fund Balances	\$ 5,145,813	\$ 60,881	\$ 80,041	\$ 138,020	\$ 38,260
					\$ 151,914

\*The Pension Trust Fund has been combined using the Fund's fiscal year, which is January 1 to December 31.

(Continued on following page)



TOWN OF WINCHESTER, CONNECTICUT  
 FIDUCIARY FUNDS

D-1

COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2002  
 WITH COMPARATIVE TOTALS AS OF JUNE 30, 2001

	Expendable Trust Funds		Agency Funds				Totals	
	Winchester Memorial Parks	Other	Town Deposit	Student Activities	General Assistance	Other	2002	2001
<b>ASSETS</b>								
Cash and cash equivalents	\$ 12,618	\$ 7,950	\$ 4,536	\$ 15,673	\$ 113,163	\$ 113,163	\$ 623,056	\$ 514,876
Investments							4,639,248	4,635,734
Contribution receivable							506,565	284,286
<b>Total Assets</b>	<b>\$ 12,618</b>	<b>\$ 7,950</b>	<b>\$ 4,536</b>	<b>\$ 15,673</b>	<b>\$ -</b>	<b>\$ 113,163</b>	<b>\$ 5,768,869</b>	<b>\$ 5,434,896</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Fiduciary deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to General Fund			4,536	15,673	113,163	113,163	128,836	22,936
Total liabilities			4,536	15,673	113,163	113,163	7,677	13,132
Fund Balances:								
Reserved for employee retirement system							5,145,813	4,920,020
Unreserved - undesignated	12,618	7,950					486,543	478,808
Total fund balances	12,618	7,950					5,632,356	5,398,828
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,618</b>	<b>\$ 7,950</b>	<b>\$ 4,536</b>	<b>\$ 15,673</b>	<b>\$ -</b>	<b>\$ 113,163</b>	<b>\$ 5,768,869</b>	<b>\$ 5,434,896</b>

THIS DRAFT IS SUBJECT TO FINANCIAL REVIEW AND APPROVAL BY THE BOARD OF FINANCIAL AGENCIES.

TOWN OF WINCHESTER, CONNECTICUT

D-2

NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Winchester	Winchester	Forest	Winchester	Other	Totals	
	School Trust	Sinking	View Cemetery	Center Cemetery		2002	2001
Revenues:							
Interest and dividend income	\$ 5,085	\$ 1,658	\$ 2,786	\$ 758	\$ 3,117	\$ 13,404	\$ 19,605
Expenses:							
Other	2,100					2,100	7,410
Operating Income	2,985	1,658	2,786	758	3,117	11,304	12,195
Operating Transfers Out			(2,764)	(704)	(527)	(3,995)	-
Net Income	2,985	1,658	22	54	2,590	7,309	12,195
Fund Balances at Beginning of Year	57,896	78,383	137,998	38,206	146,183	458,666	446,471
Fund Balances at End of Year	\$ 60,881	\$ 80,041	\$ 138,020	\$ 38,260	\$ 148,773	\$ 465,975	\$ 458,666

TOWN OF WINCHESTER, CONNECTICUT

D-3

NONEXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001

	Winchester School Trust	Winchester Sinking	Forest View Cemetery	Winchester Center Cemetery	Other	Totals	
						2002	2001
<b>Cash Flows from Operating Activities:</b>							
Operating income	\$ 2,985	\$ 1,658	\$ 2,786	\$ 758	\$ 3,117	\$ 11,304	\$ 12,195
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:							
Investment income	(5,085)	(1,658)	(2,786)	(758)	(3,117)	(13,404)	(19,605)
Decrease in amount due to other funds					(5,455)	(5,455)	-
Net cash provided by (used in) operating activities	<u>(2,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,455)</u>	<u>(7,555)</u>	<u>(1,955)</u>
<b>Cash Flows from Noncapital Related Financing Activities:</b>							
Operating transfers to General Fund			(2,764)	(704)	(527)	(3,995)	-
Net cash used in noncapital related financing activities	<u>-</u>	<u>-</u>	<u>(2,764)</u>	<u>(704)</u>	<u>(527)</u>	<u>(3,995)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>							
Investment income	<u>5,085</u>	<u>1,658</u>	<u>2,786</u>	<u>758</u>	<u>3,117</u>	<u>13,404</u>	<u>19,605</u>
Net cash provided by investing activities	<u>5,085</u>	<u>1,658</u>	<u>2,786</u>	<u>758</u>	<u>3,117</u>	<u>13,404</u>	<u>19,605</u>
<b>Net Increase in Cash and Cash Equivalents</b>	2,985	1,658	22	54	(2,865)	1,854	17,650
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>57,896</u>	<u>78,383</u>	<u>137,998</u>	<u>38,206</u>	<u>154,779</u>	<u>467,262</u>	<u>449,612</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 60,881</u>	<u>\$ 80,041</u>	<u>\$ 138,020</u>	<u>\$ 38,260</u>	<u>\$ 151,914</u>	<u>\$ 469,116</u>	<u>\$ 467,262</u>

TOWN OF WINCHESTER, CONNECTICUT

D-4

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2002  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2001



	Winchester Memorial Parks	Other	Totals	
			2002	2001
<b>Revenues:</b>				
Investment income	\$ 261	\$ 165	\$ 426	\$ 546
<b>Expenditures</b>				
			-	-
<b>Excess of Revenues over Expenditures</b>	261	165	426	546
<b>Fund Balances at Beginning of Year</b>	12,357	7,785	20,142	20,142
<b>Fund Balances at End of Year</b>	\$ 12,618	\$ 7,950	\$ 20,568	\$ 20,142

## AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2002

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
<b>Town Deposit:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 4,536	\$ 96	\$ 96	\$ 4,536
<b>Liabilities:</b>				
Due to General Fund	\$ 4,536	\$ 96	\$ 96	\$ 4,536
<b>Student Activities:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 15,502	\$ 86,968	\$ 86,797	\$ 15,673
<b>Liabilities:</b>				
Fiduciary deposits	\$ 15,502	\$ 86,968	\$ 86,797	\$ 15,673
<b>Other:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 7,434	\$ 105,729	\$ -	\$ 113,163
<b>Liabilities:</b>				
Fiduciary deposits	\$ 7,434	\$ 105,729	\$ -	\$ 113,163
<b>Total - All Agency Funds:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 27,472	\$ 192,793	\$ 86,893	\$ 133,372
<b>Liabilities:</b>				
Due to General Fund	\$ 4,536	\$ 96	\$ 96	\$ 4,536
Fiduciary deposits	22,936	192,697	86,797	128,836
<b>Total Liabilities</b>	<b>\$ 27,472</b>	<b>\$ 192,793</b>	<b>\$ 86,893</b>	<b>\$ 133,372</b>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all fixed assets except those used in  
Proprietary Fund operations.

USED ONLY FOR MANAGEMENT  
PURPOSES. ENGAGEMENT  
THIS DRAFT IS SUBJECT

## TOWN OF WINCHESTER, CONNECTICUT

E-1

## SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

JUNE 30, 2002 AND 2001

	<u>2002</u>	<u>2001</u>
<b>General Fixed Assets:</b>		
Land and improvements	\$ 1,000,080	\$ 1,000,080
<b>Buildings and improvements:</b>		
Schools	13,102,374	13,022,140
Town Hall	899,279	899,279
Senior Citizens Center	577,713	447,170
Fire Department	115,770	115,770
Other	265,849	265,849
<b>Vehicles and equipment:</b>		
Schools	2,972,392	2,765,532
Town	<u>6,016,307</u>	<u>5,894,502</u>
<b>Total General Fixed Assets</b>	<b>\$ <u>24,949,764</u></b>	<b>\$ <u>24,410,322</u></b>
<b>Investment in General Fixed Assets:</b>		
Bonds and notes	\$ 10,343,250	\$ 10,343,250
Federal and state grants	4,509,333	4,509,333
Current appropriations	<u>10,097,181</u>	<u>9,557,739</u>
<b>Total Investment in General Fixed Assets</b>	<b>\$ <u>24,949,764</u></b>	<b>\$ <u>24,410,322</u></b>

## TOWN OF WINCHESTER, CONNECTICUT

E-2

## SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 2002

<u>Function</u>	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Vehicles and Equipment</u>
General Government	\$ 4,021,009	\$ 1,000,080	\$ 1,494,018	\$ 1,526,911
Public Safety	1,845,709	-	115,770	1,729,939
Public Works	2,823,181	-	180,564	2,642,617
Parks and Recreation	185,099	-	68,259	116,840
Education	<u>16,074,766</u>	<u>-</u>	<u>13,102,374</u>	<u>2,972,392</u>
Total General Fixed Assets Allocated by Function	<u>\$ 24,949,764</u>	<u>\$ 1,000,080</u>	<u>\$ 14,960,985</u>	<u>\$ 8,988,699</u>

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

FOR THE YEAR ENDED JUNE 30, 2002

Function	Balance, July 1, 2001	Additions	Adjustments and Deletions	Balance, June 30, 2002
General Government	\$ 3,793,649	\$ 227,360	\$	\$ 4,021,009
Public Safety	1,845,709			1,845,709
Public Works	2,798,193	24,988		2,823,181
Parks and Recreation	185,099			185,099
Education	<u>15,787,672</u>	<u>287,094</u>		<u>16,074,766</u>
Total General Fixed Assets Allocated by Function	<u>\$ 24,410,322</u>	<u>\$ 539,442</u>	<u>\$ -</u>	<u>\$ 24,949,764</u>

USED ONLY FOR MANAGEMENT  
SESSION PURPOSES; ENGAGEMENT  
OTHER INFORMATION

TOWN OF WINCHESTER, CONNECTICUT

F

GENERAL FUND

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2002

Grand List of October 1,	Due Date of Tax	New Levy and Uncollected Balance July 1, 2001	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levies	Taxes	Collections Interest and Liens	Total	Taxes Receivable June 30, 2002
			Additions	Deductions						
2000	7/1 and 1/1	\$ 15,966,853	\$ 1,458	\$	\$	\$ 15,965,395	\$ 15,373,217	\$ 52,773	\$ 15,425,990	\$ 592,178
1999	7/1 and 1/1	579,349	3,856		73,129	502,364	331,101	55,310	386,411	171,263
1998	7/1 and 1/1	313,200	5,223			307,977	102,817	35,516	138,332	205,160
1997*	7/1 and 1/1	61,212	18,355			42,857	90,206	103,844	194,050	(47,349)
Total Grand List		\$ 16,920,614	\$ 28,892	\$ -	\$ 73,129	\$ 16,818,593	\$ 15,897,341	\$ 247,443	\$ 16,144,783	\$ 921,252

\*Includes collection of this list and all prior.



## TOWN OF WINCHESTER, CONNECTICUT

G

## ENTERPRISE FUNDS

## SCHEDULES OF WATER AND SEWER RENTS LEVIED, COLLECTED AND OUTSTANDING

FOR THE YEAR ENDED JUNE 30, 2002

## Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2001	Collections			Water Rents Receivable, June 30, 2002
		Rents	Interest and Liens	Total	
2001	\$ 1,623,572	\$ 1,488,422	\$ 9,249	\$ 1,497,671	\$ 135,150
2000	176,010	97,300	11,864	109,164	78,710
1999*	128,200	77,340	57,416	134,756	50,860
	<u>\$ 1,927,782</u>	<u>\$ 1,663,062</u>	<u>\$ 78,529</u>	<u>\$ 1,741,591</u>	<u>\$ 264,720</u>

## Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2001	Collections			Sewer Rents Receivable, June 30, 2002
		Rents	Interest and Liens	Total	
2001	\$ 1,099,852	\$ 1,009,664	\$ 7,066	\$ 1,016,730	\$ 90,188
2000	121,039	71,641	9,965	81,606	49,398
1999*	74,699	62,567	56,793	119,360	12,132
	<u>\$ 1,295,590</u>	<u>\$ 1,143,872</u>	<u>\$ 73,824</u>	<u>\$ 1,217,696</u>	<u>\$ 151,718</u>

\* Includes Levy's of 1999 and prior

Source: Town of Winchester, Connecticut, Collector of Revenue.

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DECISION PURPOSES; ENGAGEMENT  
PURPOSES; THIS DRAFT IS SUBJECT  
TO CHANGE

TOWN OF WINCHESTER, CONNECTICUT

H

SCHEDULE OF SURETY BONDS COVERING OFFICIALS AND EMPLOYEES

JUNE 30, 2002

FOR INFORMATION PURPOSES; ENCLOSURE  
 NOTE: THIS DRAFT IS SUBJECT  
 TO THE TOWN OF WINCHESTER

Name	Title	Amount of Bond
Margaret A. Johnson	Town Manager	\$ 95,000
Henry L. Centrella, Jr.	Director of Finance	595,000
Spencer C. Monroe	Treasurer	600,000
Arlene M. Boutin	Tax Collector	147,000
Janet L. Clossom	Assistant to the Tax Collector	85,000
Arthur Borla	Ambulance Treasurer	55,000
Mark A. Douglass	Purchasing Agent	25,000
Sandra Andrews	Assistant to the Finance Director	25,000
Colleen Garrity	Assistant to the Finance Director	25,000
Sheila Sedlack	Town Clerk	5,000
Cheryl L. Carriere	Assistant Town Clerk	5,000
Public Employees Blanket Bond	Public Employees Blanket Bond	5,000
Public Works Department	Public Works Department	5,000

STATISTICAL SECTION

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TOWN OF WINCHESTER, CONNECTICUT  
 GENERAL FUND EXPENDITURES BY FUNCTION  
 NON-GAAP BUDGETARY BASIS

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Board of Education	Public Works	Public Safety	Miscellaneous	General Government	Welfare	Health	Parks and Recreation	Library	Waste Disposal and Recycling	Debt Service	Capital Outlay	Total
1993	\$ 11,394	\$ 1,872	\$ 1,872	\$ 754	\$ 1,250	\$ 184	\$ 180	\$ 140	\$ 128	\$	\$ 939	\$ 337	\$ 19,050
1994	11,668	1,597	2,005	804	1,565	186	180	140	130		906	424	19,605
1995	11,859	1,434	1,984	1,071	1,793	180	149	142	133		873	713	20,331
1996	12,112	1,428	2,050	769	1,494	174	124	137	125		782	384	19,579
1997	12,502	1,456	2,121	704	1,389	145	125	125	125		844	483	20,019
1998	13,210	1,510	2,334	933	1,523	122	115	140	128		793	610	21,418
1999	13,543	1,732	2,505	757	1,193	51	129	179	175	493	749	597	22,103
2000	14,727	1,680	2,605	931	1,309	44	125	166	199	514	709	995	24,005
2001	14,811	1,776	2,499	861	1,340	50	210	174	175	533	672	850	23,950
2002	16,101	1,733	2,594	976	1,443	45	182	175	197	571	568	871	25,456

Source: Town of Winchester, Connecticut, Department of Finance.

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TOWN OF WINCHESTER, CONNECTICUT

GENERAL FUND REVENUES BY SOURCE  
NON-GAAP BUDGETARY BASIS

LAST TEN FISCAL YEARS

(In Thousands)

<u>Fiscal Year</u>	<u>General Property Taxes, Interest and Lien Fees</u>	<u>Intergovernmental Revenues</u>	<u>Other Revenues</u>	<u>Total</u>
1993	\$ 10,734	\$ 8,046	\$ 263	\$ 19,043
1994	10,926	8,324	403	19,653
1995	11,374	8,618	312	20,304
1996	10,717	8,923	364	20,004
1997	11,713	8,369	453	20,535
1998	13,159	8,567	565	22,291
1999	13,300	8,654	650	22,604
2000	14,732	8,831	774	24,337
2001	14,730	8,548	635	23,913
2002	16,106	8,927	1,440	26,473

Source: Town of Winchester, Connecticut, Department of Finance.

TOWN OF WINCHESTER, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Grand List	Mill Rate (1)	Total Tax Levy	Current Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Taxes	Percent of Outstanding Taxes to Tax Levy
1993	1991	39.00	\$ 10,746	10,159	94.54 %	\$ 377	10,536	98.05 %	1,112	10.35 %
1994	1992	39.00	10,907	10,384	95.21	351	10,735	98.42	1,241	11.38
1995	1993	39.50	11,265	10,704	95.02	442	11,146	98.94	1,304	11.58
1996	1994	25.97	10,753	10,220	95.04	320	10,540	98.02	1,451	13.49
1997	1995	27.56	11,631	10,964	94.27	532	11,496	98.84	1,455	12.51
1998	1996	29.87	12,765	12,201	95.58	617	12,818	100.42	1,316	10.31
1999	1997	30.16	12,978	12,410	95.62	464	12,874	99.20	1,254	9.66
2000	1998	33.62	14,523	13,910	95.78	673	14,583	100.41	993	6.84
2001	1999	33.17	14,580	14,001	96.03	459	14,460	99.18	954	6.54
2002	2000	35.84	15,965	15,373	96.29	524	15,897	99.57	921	5.77

(1) Per \$1,000 assessed value.

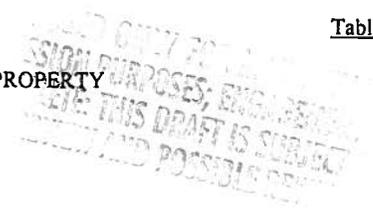
Sources: Town of Winchester, Connecticut, Department of the Tax Collector and Department of Finance.

FOR PURPOSES: EMERGENCY  
THIS DRAFT IS SUBJECT  
TO CHANGE

TOWN OF WINCHESTER, CONNECTICUT

Table 4

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (In Thousands)



Fiscal Year	Grand List	Real Property		Personal Property		Motor Vehicles		Totals		Ratio of Total Assessed to Total Estimated Actual Value
		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	1991	\$ 224,461	\$ 320,659	\$ 29,626	\$ 42,323	\$ 27,861	\$ 39,801	\$ 281,948	\$ 402,783	70
1994	1992	227,392	324,845	32,860	46,942	28,363	40,518	288,615	412,305	70
1995	1993	230,129	328,756	33,348	47,597	34,332	49,047	297,809	425,400	70
1996	1994	353,722	505,317	32,885	46,979	37,975	54,250	424,582	606,546	70
1997	1995	356,755	509,650	33,563	47,947	42,469	60,670	432,787	618,267	70
1998	1996	357,822	511,174	33,855	48,364	44,180	63,114	435,857	622,652	70
1999	1997	359,016	512,880	35,050	50,071	43,909	62,727	437,975	625,678	70
2000	1998	360,182	514,546	34,822	49,746	45,583	65,119	440,587	629,411	70
2001	1999	361,325	516,179	38,788	55,411	50,232	71,760	450,345	643,350	70
2002	2000	363,444	519,206	39,138	55,911	52,570	75,100	455,152	650,217	70

There is no overlapping taxable property.

Source: Town of Winchester, Connecticut, Department of Assessment.

TOWN OF WINCHESTER, CONNECTICUT

Table 5

RATIO OF NET GENERAL BONDED DEBT TO  
ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS



Fiscal Year	(1) Population	(2) Assessed Value	(3)(4)(5) Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt per Capita
1993	11,370	\$ 281,948,000	\$ 6,550,000	2.32	\$ 576
1994	11,370	288,615,000	6,095,000	2.11	536
1995	11,342	297,809,000	5,640,000	1.89	497
1996	11,342	424,582,000	5,185,000	1.22	457
1997	11,300	432,787,000	4,730,000	1.09	419
1998	11,422	435,857,000	4,280,000	0.98	375
1999	11,422	437,975,000	3,830,000	0.87	335
2000	11,524	440,587,000	3,380,000	0.77	293
2001	11,590	450,345,000	2,930,000	0.65	253
2002	10,664	455,152,000	2,555,000	0.56	240

- (1) Statistics provided are estimates of the State of Connecticut Department of Health Services.
- (2) Source: Town of Winchester, Connecticut, Department of Assessment.
- (3) Excludes Bond Anticipation Notes.
- (4) There is no overlapping debt.
- (5) Source: Town of Winchester, Connecticut, Department of Finance.

TOWN OF WINCHESTER, CONNECTICUT

Table 6

SCHEDULE OF DEBT LIMITATION

FOR THE YEAR ENDED JUNE 30, 2002

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 16,105,541
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	101,645
Base	<u>\$ 16,207,186</u>

General Long-Term Debt

	<u>General Purposes (2.25 x base)</u>	<u>Schools (4.50 x base)</u>	<u>Urban Renewal (3.25 x base)</u>	<u>Enterprise (3.75 x base)</u>
Debt Limitation: Statutory debt limits by function	\$ <u>36,466,169</u>	\$ <u>72,932,337</u>	\$ <u>52,673,355</u>	\$ <u>60,776,948</u>
Debt: Bonds payable		2,555,000		12,686,130
Notes payable	<u>-</u>	<u>2,555,000</u>	<u>-</u>	<u>12,686,130</u>
Debt Limitation in Excess of Debt*	<u>\$ 36,466,169</u>	<u>\$ 70,377,337</u>	<u>\$ 52,673,355</u>	<u>\$ 48,090,818</u>

\*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$113,450,302.

TOWN OF WINCHESTER, CONNECTICUT

Table 7

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL  
BONDED DEBT TO TOTAL GENERAL EXPENDITURES

LAST TEN FISCAL YEARS

(In Thousands)

<u>Fiscal Year</u>	<u>Principal(1)</u>	<u>Interest(1)</u>	<u>Total Debt Service(1)</u>	<u>Total General Expenditures(2)</u>	<u>Ratio of Debt to Total General Expenditures</u>
1993	\$ 455	\$ 484	\$ 939	\$ 19,050	4.93 %
1994	455	451	906	19,605	4.62
1995	455	418	873	20,331	4.29
1996	455	385	840	19,579	4.29
1997	455	352	807	20,385	3.96
1998	455	320	775	21,418	3.62
1999	450	299	749	22,103	3.39
2000	450	255	705	20,103	3.51
2001	450	222	672	23,950	2.81
2002	375	193	568	25,456	2.23

(1) Includes only general bonded debt.

(2) Includes expenditures of the General Fund (non-GAAP budgetary basis).

Source: Town of Winchester, Connecticut, Department of Finance.

TOWN OF WINCHESTER, CONNECTICUT

Table 8

DEMOGRAPHIC STATISTICS (1)

LAST TEN FISCAL YEARS

FOR OFFICIAL USE ONLY  
 FOR INFORMATIONAL PURPOSES; ENGAGEMENT  
 COMPLETE: THIS DRAFT IS SUBJECT  
 TO CHANGE AND POSSIBLE DELETION

<u>Fiscal Year</u>	<u>(2) Population</u>	<u>(3) School Enrollment</u>	<u>(4) Per Capita Income</u>	<u>(5) Unemployment Rate</u>
1993	11,370	1,267	\$	8.8 %
1994	11,370	1,220		7.5
1995	11,342	1,226		7
1996	11,342	1,229		6.6
1997	11,300	1,254		6.8
1998	11,422	1,220		4.4
1999	11,422	1,182		3.8
2000	11,524	1,079	22,589	2.5
2001	11,590	1,165		4.2
2002	10,664	1,165		5.5

(1) Information regarding median age and education level of the population is not available.

(2) Statistics provided are estimates of the State of Connecticut Department of Health Services.

(3) Source: Town of Winchester, Connecticut, Board of Education.

(4) Data not available

(5) Per State of Connecticut Department of Labor.

TOWN OF WINCHESTER, CONNECTICUT

Table 9

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

(Dollars in Thousands)

Fiscal Year	Construction(1)				Property Value(2)			Bank Deposits(3)	
	Commercial		Residential		Commercial	Residential(1)	Nontaxable	Number of Banks	Deposits
	Number of Units	Value	Number of Units	Value					
1993	1	\$ 3,288	16	\$ 926	\$ 37,946	\$ 185,350	\$ 38,520	\$	
1994	1	70	13	4,154	38,005	198,242	42,367		
1995	1	350	14	1,183	48,650	305,157	49,220		
1996	6	4,685	6	606	48,560	305,150	49,020		
1997	1	151	5	903	50,044	308,609	49,290		
1998	2	980	5	1,005	49,302	306,880	49,155		
1999	3	41	19	2,516	49,130	306,450	49,170		
2000	3	1,156	14	1,529	49,516	306,650	49,160		
2001	1	1,158	12	1,578	50,274	308,125	50,150		
2002									

(1) Source: Town of Winchester, Connecticut, Department of Building and Housing.

(2) Source: Town of Winchester, Connecticut, Department of Assessment.

(3) Information is not available.

## PRINCIPAL TAXPAYERS

JUNE 30, 2002

	Assessed Valuation as of October 1, 2000	Percentage of Gross Taxable Grand List	Nature of Business
1. Howmet Turbine	\$ 9,854,273	2.05 %	Manufacturing
2. Connecticut Light and Power	5,361,740	1.21	Utility
3. Ledgebrook LLC Trustee	4,432,060	1.00	Shopping Center
4. Winsted Precision Ball	4,253,302	0.96	Manufacturing
5. Yankee Gas	3,303,280	0.75	Utility
6. Homer D. Bronson Company	2,209,870	0.50	Manufacturing
7. Litchfield Gardens Association	2,197,530	0.50	Apartments
8. Electric Motion Company Inc	1,867,660	0.42	Manufacturing
9. BNB Manufacturing Company	1,771,880	0.40	Manufacturing
10. Arrow/SI Inc	1,523,550	0.34	Manufacturing
Total	\$ <u>36,775,145</u>	<u>8.13 %</u>	

Source: Town of Winchester, Connecticut, Department of Assessment.

## CAPITAL OUTLAY EXPENDITURES BY FUNCTION - NON-GAAP BUDGETARY BASIS

## LAST TEN FISCAL YEARS

(In Thousands)

NOT FOR BUDGETARY  
 PURPOSES; ENGAGEMENT  
 COMPLETE: THIS DRAFT IS SUBJECT  
 TO REVIEW AND POSSIBLE REVISION

<u>Fiscal Year</u>	<u>Public Works</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Parks and Recreation</u>	<u>Miscellaneous</u>	<u>Total</u>
1993	\$ 198	\$	\$ 114	\$ 2	\$ 23	\$ 337
1994	205	143	67	1	8	424
1995	505	145	63			713
1996	255	93	36			384
1997	383	36	59		5	483
1998	487	55	68			610
1999	276	177	144			597
2000	163	341	209		282 *	995
2001	351	56	399		44	850
2002	170	320	93		288	871

Source: Town of Winchester, Connecticut, Department of Finance.

\* Includes Riverfront Recapture Project of \$256,163.

SUPPLEMENTAL DATA

JUNE 30, 2002

Date of Incorporation: May 1771  
 Form of Government: Selectmen-Town Manager  
 First Charter Adopted: July 22, 1771  
 Present Charter Adopted: November 5, 1985  
 Area of Town: 34.0 square miles

THIS DRAFT IS SUBJECT TO CHANGE WITHOUT NOTICE. FOR OFFICIAL USE ONLY. FOR OFFICIAL PURPOSES, ENGINEERING DEPARTMENT MUST BE NOTIFIED.

Miles of streets	81.27	<u>Municipal Cemeteries</u>	
Paved	72.51	Active	3
Unpaved	8.76	Inactive	3
State highways	23.5		
		<u>Education</u>	
<u>Recreation</u>		Senior high schools	1
Community Centers	1	Students	21
Neighborhood parks	2	Private senior high schools	1
Public greens	2	Students	485
Acres of park land	30	Special education	36
Playgrounds	3	Instruction	49
Tennis courts	2	Administrative and other nonteaching personnel	26
Asphalt	2	Middle schools	1
Lighted	2	Students	386
Ball diamonds	7	Elementary schools	2
Lighted	2	Students	730
Basketball courts	2	Special education	28
Lighted	1	Instructional	104
Beaches	2	Administrative and other nonteaching personnel	73
Ponds	1		
		<u>Police Protection</u>	
<u>Elections</u>		Police cars	10
Registered voters	6,869	Police officers	25
Votes cast in last:		Civilian employees	9
National election	4,690		
State election	3,368	<u>Fire Protection</u>	
Municipal election	2,588	Stations	4
Percentage of registered voters voting in last:		Volunteer firemen	111
National election	68 %	Full-time paid firemen	1
State election	49 %		
Municipal election	38 %	<u>Town Employees (Full-Time)</u>	
		Town	83
<u>Library</u>		School	178
Main building	1		
Employees	10		
Full-time	3		
Part-time	5		