

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011

TOWN OF WINCHESTER,  
CONNECTICUT



Office of the  
Director of Finance

**TOWN OF WINCHESTER, CONNECTICUT**

**Comprehensive Annual Financial Report**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011**

Department of Finance

## INTRODUCTORY SECTION

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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## TOWN OF WINCHESTER - CITY OF WINSTED

Town Hall - 338 Main Street  
WINSTED, CONNECTICUT 06098

May 23, 2013

To the Board of Selectmen and Residents of the Town of Winchester:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to this requirement, I am pleased to issue the Comprehensive Annual Financial Report (CAFR) of the Town of Winchester for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the Town of Winchester. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Winchester has established an internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town of Winchester's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Winchester's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Winchester's financial statements have been audited by Blum, Shapiro & Company, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Winchester for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors rendered an unqualified opinion that the Town of Winchester's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Government**

The Town of Winchester, located in Litchfield County, is a political subdivision situated about 29 miles northwest of Hartford in the watersheds of the Farmington and Naugatuck Rivers. It is bordered on the north by the Town of Colebrook, on the south by the City of Torrington, on the east by the Town of Barkhamsted, and on the west by the Towns of Norfolk and Goshen. It covers a land area of approximately 33.8 square miles. The City of Winsted is located within the Town of Winchester, but has no separate government. Winchester was first settled and incorporated as a Town in 1732. The Town sits at the crossroads of U.S. Route No. 44 and State Route No. 8. State Routes No. 20 and 183 also traverse the Town. The Town has approximately 81 miles of Town roads, of which 72.5 miles are paved, and 23.4 miles of State roads.

The Town of Winchester is governed under a home-rule charter last revised in 2010 that provides a Manager/Selectmen/Town Meeting form of government with a seven-member Board of Selectmen that also serves as the Board of Finance. Elections for the Board of Selectmen are held in November in every odd-numbered year. The residents also have the powers and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The Town Manager is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman, or officially titled "Mayor," presides over the Board of Selectmen and has full voting privileges on the Board. The Board of Selectmen appoints members to various commissions and boards.

The Town's annual budget meeting is held on the first Monday in May. Prior to adjournment to budget referendum, the electors at the annual town budget meeting review the budget as presented by the Board of Selectmen and have the power to amend, but not increase, any line item of the budget. The annual budget meeting is then adjourned to a referendum for approval.

The Town provides a full range of services, including general government operations; police and fire protection; the construction and maintenance of highways, streets and other infrastructure; health and welfare services; cultural and recreational activities; economic development support; and education.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Winchester operates.

## **Economic Condition and Outlook**

Winchester is primarily a residential community with single-family homes. Most residents are employed in the manufacturing, education, health and social services categories. Recent data from the United States Department of Commerce indicates that Winchester's twelve-month per capita income in 2011 dollars is \$25,528 as compared to the State of Connecticut's \$37,627. The median income for the same period is \$56,484 (CT: \$69,243). The Town's population has been relatively stable since 2000.

In accordance with State of Connecticut statutes, the Town will conduct a property revaluation in 2012 (including a physical inspection of all properties, which was not part of the 2007 revaluation). The tax base is primarily zoned residential (73%) with an important industrial and commercial presence (11%).

Unfortunately, the Town of Winchester's bond rating was reduced in November 2010, from Aa3 to A1. The primary reason for this downgrade was due to decline in the Town's fund balance.

## **Major Initiatives**

### *Economic Development*

The Economic Development Commission remains committed to expanding the Town's commercial and industrial base and is looking for opportunities to create readily marketable properties in the Town's industrially zoned areas.

The Commission has recognized that it needs to aggressively market certain of the Town's most favorable attributes. To accomplish the goals of the Commission, all developmental grants and similar incentives will be aggressively pursued. This would include but not be limited to new property development, facilities improvement grants, and recreational funding.

### *Comprehensive Economic Development Strategy (CEDS)*

The Litchfield Hills Council of Elected Officials (LHCEO), in which the Town is a participant, is preparing a new Comprehensive Economic Development Strategy document. The plan, to be completed in 2012, will identify economic development projects which have positive impacts on the regional and local economy. The CEDS document will afford the Town access to Federal Economic Development Administration grant and loan funds which are currently not available.

In addition, the Town recently completed an update to its Plan of Conservation and Development to reflect current and future needs.

### *Regional Out-Reach*

In conjunction with the CEDS project, the Town is also a member of the Northwest CT Economic Development Corporation. The Corporation is a public/private development arm for the projects to be identified in the CEDS document.

### *Brownfields*

The Town is actively working to assist with the remediation of “brownfield” sites. To date, the United States Environmental Protection Agency has awarded the Town \$550,000 in grant money to study and redevelop several potentially contaminated manufacturing sites located in the downtown and Highland Lake areas.

The Brownfield Revolving Loan Fund has funded two projects in downtown Winsted. When completed, these two projects will be certified as contaminant-free, enabling the respective property owners to pursue more favorable financing. One project entails the construction of senior citizen affordable housing units; the second, the continuing rehabilitation and rejuvenation of a historic mill factory into a regional artists’ enclave.

### *Main Street Enhancement Project*

With the completion of the \$4.8± million Phase I of the Main Street Improvement Program, the Town took a major step forward in its goal of revitalizing its central business district. The Town is beginning construction on Phase II of the project in 2012.

The Town also used CT Small Town Economic Assistance Program funds to refurbish a historic fountain in a critical and highly-visible park on the Town’s east end. An additional project similarly funded will build permanent restrooms at downtown ballfields, with construction likely in 2012.

### *Capital Improvement Project*

Given the uncertain economic conditions, the Town is extensively reviewing its capital needs. A capital needs budget is included as part of the Town’s annual budget.

## **Budgetary Controls**

The Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the electors at referendum. Budget administration is performed by the Department of Finance. The budget is legally enacted at the department expenditure level, which serves as a management tool; budgetary control is maintained at the department level within character of expenditure. This is achieved through the use of full encumbrance system, which encumbers appropriations upon the issuance of purchase orders. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of the fund balance at June 30. Transfers within a department may be made during the fiscal year upon approval by the Board of Selectmen. Transfers between departments can only be made during the last three months of the fiscal year, once again, with approval by the Board of Selectmen. Management cannot amend the budget.

## **Fiduciary Fund Operation**

Fiduciary Funds are used to account for funds that the Town holds in a trustee capacity or as an agent for individuals or organizations. The Town of Winchester Town Employees Pension Trust Fund is used to account for contributions, pension benefits and other costs that are associated with the operations of the pension plan.

## **Awards and Acknowledgements.**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. This was the twentieth year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized Comprehensive Annual Financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements, and the Town will again submit this document for consideration for an Achievement for Excellence in Financial Reporting.

The preparation of this report would have not been accomplished without the services of the members of the Department of Finance, as well as other Town staff. I would also like to thank the Board of Selectmen for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Dale L. Martin  
Town Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Winchester  
Connecticut

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



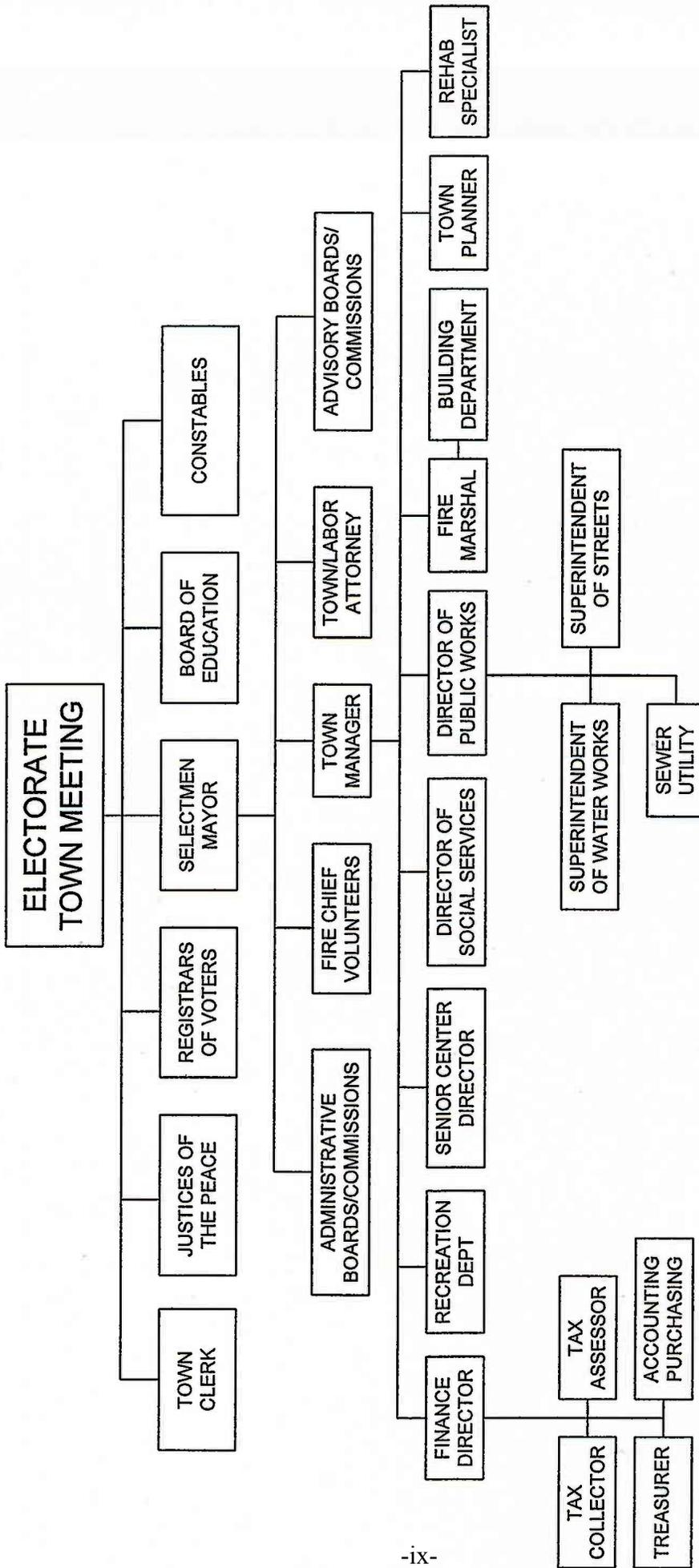
*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

# ORGANIZATIONAL CHART



**TOWN OF WINCHESTER, CONNECTICUT**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**AS OF JUNE 30, 2011**

Mayor:	Althea Perez
Board of Selectmen:	Glenn Albanesius Karen Beadle George Closson Kenneth Fracasso Michael Renzullo Lisa R. Smith
Board of Tax Review:	Mark Arcelaschi, Chairman Jackie Mulvey Walter St. Onge, Jr. Samuel Demonstrani Joseph Beadle
Director of Public Works:	James Rotondo
Town Manager:	Dale L. Martin
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:	Blaise A. Salerno

## FINANCIAL SECTION



Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Board of Selectmen  
Town of Winchester, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Winchester, Connecticut, as of and for the year ended June 30, 2011, which collectively comprise the Town of Winchester, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Winchester, Connecticut, as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2013 on our consideration of the Town of Winchester, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 17 and the budgetary comparison information on pages 59 through 62 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Winchester, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
May 23, 2013

## **Management's Discussion and Analysis Introduction**

This Annual Financial Report meets the financial reporting requirements of the Government Accounting Standards Board (GASB) Statement 34. GASB Statement 34 requires that the officials of the Town of Winchester focus this report on the most important, or "major" funds of the Town, including the General Fund.

The Annual Financial Report includes the following information and financial statements as defined by GASB Statement 34:

### **\* Management's Discussion and Analysis (MD&A)**

The MD&A offers an introduction to the basic financial statements and an analytical overview of the government's financial activities. The MD&A provides an objective analysis of the Town's financial activities based on currently known facts, decisions, or conditions. The MD&A...

- ❑ Includes comparisons of the current year to the prior year based on government-wide information;
- ❑ Provides an analysis of the Town's overall financial position and the results of operations of the year's activities;
- ❑ Analyzes significant changes in fund and major budget variances;
- ❑ Describes capital asset and long-term debt activity during the year;
- ❑ Concludes with a description of currently known facts, decisions, or conditions that are expected to have a significant effect on the Town's financial position or the results of operations.

### **\* Basic Financial Statements**

- ***Government-Wide Financial Statements*** are designed to provide a broad overview of the Town of Winchester's finances, in a manner similar to private-sector businesses.
  - ❑ These statements include a *Statement of Net Assets* which presents information on all of the Town of Winchester's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of the Town's financial position. The *Statement of Activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*: thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave). The Statement of Activities is prepared using the economic resources measurement focus and the accrual basis of accounting. These statements report all assets, liabilities, revenues, expenses, and gains and losses of the Town. Both of the government-wide financial statements distinguish functions of Winchester that are principally supported by taxes and intergovernmental revenues (*governmental activities*)

from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include Board of Education, public works, public safety, general government, health, parks and recreation, library, waste disposal and recycling, and, in some cases, long-term debt. Business-type activities include the water and sewer operations and, in some cases, long-term debt. The government-wide financial statements include only the Town of Winchester itself (known as the *primary government*); the Town has no legally separate unit of government or governmental function (*component unit*) for which the Town is financially accountable. The Water and Sewer Commission, although legally separate, functions for all practical purposes as a department of the Town and, therefore, has been included as an integral part of the primary government;

- Fiduciary activities whose resources are not available to finance governmental programs are excluded from these statements.

Capital assets, including infrastructure, are reported along with depreciation expense in the statement of activities. Net assets are reported as capital assets net of related debt, restricted, and unrestricted. Permanent endowments or permanent fund principal amounts are included in restricted net assets.

Expenses are presented reduced by program revenues, resulting in a measurement of “net (expense) revenue” for each of the government’s functions. Program expenses include all direct expenses. General revenues such as taxes and special and extraordinary items are reported separately, ultimately arriving at the change in net assets for the period. Special items are significant transactions or other events that are either unusual or infrequent and are within the control of management.

➤ ***Fund Financial Statements*** are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Winchester, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental fund* financial statements include financial data for the General Fund, special revenue funds, capital projects, and permanent funds, and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements with similar

information presented for *governmental funds* in the long-term impact of the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The Town of Winchester maintains thirty nine individual governmental funds: three of these funds, the General Fund, the Sewer Assessment fund, and the Small Cities Fund are considered major funds, and thirty-six are treated as nonmajor funds consisting of twenty-five special revenue funds, a capital project fund, and ten permanent funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Sewer Assessment Fund, and the Small Cities Fund. Data from the thirty-seven nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

- *Proprietary fund* financial statements, including financial data for enterprise and internal service funds, are also prepared using the economic resources measurement focus and the accrual basis of accounting. The Town of Winchester maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses two enterprise funds to account for water and sewer operations. Because water and sewer services predominantly benefit business-type functions, they have been included as a separate column in the government-wide financial statements. The Town of Winchester does not utilize any internal service funds (such as motor pool or information technology funds).
- *Fiduciary fund* financial statements, again as with the aforementioned statements, are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town of Winchester's own programs.

Fund financial statements are presented for primary government and proprietary funds. Governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Proprietary fund statements are comprised of a statement of net assets, a statement of revenues, expenses, and changes in net fund assets, and a statement of cash flows. A summary reconciliation of the fund and government-wide statements accompanies the fund financial statements.

Separate columns are shown for the General Fund and for other major governmental and enterprise funds. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least ten percent of corresponding totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds. Other funds that are particularly important may also be reported as a major fund. Nonmajor funds are reported in the aggregate in a separate column.

Governmental fund balances are segregated into reserved and unreserved categories.

Proprietary fund net assets are reported in the same categories required for government-wide financial statements. Proprietary fund statements of net assets distinguish between current and noncurrent assets and liabilities.

The statements distinguish between operating and nonoperating revenues and expenses in proprietary fund statements of revenues, expenses, and changes in net fund assets. At the bottom of these statements, transfers are reflected in arriving at the all-inclusive change in fund net assets.

Separate fiduciary fund statements are used to report assets held in a trustee or agency capacity for others and which cannot be used for Town programs and those statements must show a statement of fiduciary net assets and a statement of changes in fiduciary net assets. Fiduciary fund statements also disclose interfund loans, interfund services provided and used, and interfund transfers.

- *Notes to the Financial Statements* consist of notes that provide information essential to understanding the data provided in the government-wide and fund financial statements.
- *Required Supplementary Information (RSI)* consists of the MD&A and the detailed budgetary comparison schedules for the General Fund. These budgetary schedules are required to be included to demonstrate whether resources were obtained and used in accordance with the legally adopted budget.

These financial statements and the narrative overview and analysis of the financial activities of the Town are provided for the fiscal year ended June 30, 2011. Please consider the information presented herein in conjunction with additional available information.

### **Financial Highlights**

- The assets of the Town of Winchester for both governmental and business-type activities exceeded liabilities at the close of the most recent year by \$67,502,097 (net assets). Governmental activities reflect negative unrestricted net assets in the amount of (\$2,596,393), indicating that currently no net assets may be used to meet ongoing obligations to citizens and creditors. Business-type activities have negative unrestricted net assets of (\$1,232,965).
- The primary government's total net assets decreased by \$1,204,980 and business-type activity net assets declined by \$793,448.
- At the close of the fiscal year, Winchester's governmental funds indicated a combined ending fund balance of \$487,086, a decrease of \$550,992 in comparison with the prior year. Total unassigned fund balance amounted to \$(619,148).

- At the end of the fiscal year, unassigned fund balance for the General Fund was \$112,527, or .35% of total General Fund revenues of \$31,713,426.
- The Town's long-term debt decreased by \$10,000 for governmental activities and decreased by \$812,976 for business-type (water and sewer) activities, the result of scheduled principal payments on bonded and long-term debt. (See Note 3E. Long-Term Debt of Notes to Financial Statements).

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial condition. In the case of the Town of Winchester, assets exceeded liabilities by \$67,502,097 at the close of the fiscal year.

Almost all of the net assets reflect investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 8,600,183	\$ 8,064,736	\$ (746,952)	\$ (456,993)	\$ 7,853,231	\$ 7,607,743
Capital assets, net	43,984,054	44,124,723	38,106,268	39,359,019	82,090,322	83,483,742
Total assets	<u>52,584,237</u>	<u>52,189,459</u>	<u>37,359,316</u>	<u>38,902,026</u>	<u>89,943,553</u>	<u>91,091,485</u>
Long-term debt outstanding	12,412,312	11,975,559	5,417,464	6,226,410	17,829,776	18,201,969
Other liabilities	4,306,564	3,143,559	305,116	245,432	4,611,680	3,388,991
Total liabilities	<u>16,718,876</u>	<u>15,119,118</u>	<u>5,722,580</u>	<u>6,471,842</u>	<u>22,441,456</u>	<u>21,590,960</u>
Net Assets:						
Invested in capital assets, net of debt	37,937,496	37,827,059	32,869,701	33,299,371	70,807,197	71,126,430
Restricted	524,258	522,003			524,258	522,003
Unrestricted	<u>(2,596,393)</u>	<u>(1,278,721)</u>	<u>(1,232,965)</u>	<u>(869,187)</u>	<u>(3,829,358)</u>	<u>(2,147,908)</u>
Total Net Assets	<u>\$ 35,865,361</u>	<u>\$ 37,070,341</u>	<u>\$ 31,636,736</u>	<u>\$ 32,430,184</u>	<u>\$ 67,502,097</u>	<u>\$ 69,500,525</u>

The negative balance of *unrestricted net assets* not comprising capital assets indicates that no available net assets are available to be used to meet ongoing obligations to citizens and creditors.

The Town's governmental net assets decreased by \$1,204,980 during the fiscal year. The Town realized net general revenues, net of transfers out of \$21,720,746. Net operating expenditures of \$35,666,633, and other losses of \$484,079. Gross governmental expenditures of \$35,666,633 (\$580,021 less than last year) were offset by a combination of \$20,820,308 in property taxes, \$622,394 of unrestricted grants, operating grants in the amount of \$11,374,639, charges for services equaling \$917,688, capital grants and contributions of \$932,659, investment earnings of \$44,360, and miscellaneous grants and income of \$449,522. The Town transferred \$215,838 from the sewer assessment fund to the Water and Sewer Commission for debt service on sewer bonds. Of the total gross expenditures, \$23,668,453 was accounted for by the Board of Education. Public safety expenditures of \$4,115,483 (a decrease of \$723,774 from the previous year), general government outlays of \$3,358,796, and public works operations in the amount of \$3,175,507 (a decrease of \$47,220 from the previous year) accounted for the largest other expenditures of governmental activities.

The Town of Winchester reports a drop in net assets in connection with the business-type activities of water and sewer operations in the amount of \$793,448. The water operation decreased net assets by \$276,899 while the sewer operation dropped \$516,549. Water and sewer users paid a combined \$2,557,471 in service charges, fines, and penalties which did not cover the \$3,489,668 of operating and interest expenses. The \$215,838 transfer-in mentioned earlier, and combined with other losses (\$52,992), reduced the operating deficit from \$958,979 to the \$793,448.

The combination of governmental activities and business-type activities resulted in a drop in overall net assets of \$1,998,428.

## Governmental Activities

Governmental activities decreased the Town of Winchester's net assets by \$1,204,980 and business-type activities reduced net assets by \$793,448, as previously stated. Key elements of this decrease are as follows:

**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 917,688	\$ 601,031	\$ 2,684,996	\$ 2,631,723	\$ 3,602,684	\$ 3,232,754
Operating grants and contributions	11,374,639	12,122,738			11,374,639	12,122,738
Capital grants and contributions	932,659	778,542	2,685		935,344	778,542
General revenues:						
Property taxes	20,820,308	20,094,437			20,820,308	20,094,437
Grants and contributions not restricted to specific purpose	622,394	656,303			622,394	656,303
Unrestricted investment earnings	44,360	18,379			44,360	18,379
Other general revenues, net	449,522	303,654			449,522	303,654
Total revenues	<u>35,161,570</u>	<u>34,575,084</u>	<u>2,687,681</u>	<u>2,631,723</u>	<u>37,849,251</u>	<u>37,206,807</u>
Program expenses:						
Board of Education	23,668,453	23,545,291			23,668,453	23,545,291
Public safety	4,115,483	4,967,321			4,115,483	4,967,321
Public works	3,175,507	3,275,459			3,175,507	3,275,459
General government	3,358,796	3,342,550			3,358,796	3,342,550
Health	289,932	287,221			289,932	287,221
Parks and recreation	244,723	263,574			244,723	263,574
Library	194,141	161,795			194,141	161,795
Waste disposal and recycling	335,869	360,824			335,869	360,824
Interest on long-term debt	283,729	301,724			283,729	301,724
Water			1,763,578	1,976,247	1,763,578	1,976,247
Sewer			1,880,397	2,309,850	1,880,397	2,309,850
Total program expenses	<u>35,666,633</u>	<u>36,505,759</u>	<u>3,643,975</u>	<u>4,286,097</u>	<u>39,310,608</u>	<u>40,791,856</u>
Deficiency Before Transfers and Loss on Assets	(505,063)	(1,930,675)	(956,294)	(1,654,374)	(1,461,357)	(3,585,049)
Transfers	(215,838)	(218,408)	215,838	218,408	-	-
Loss on Assets	<u>(484,079)</u>		<u>(52,992)</u>	<u>-</u>	<u>(537,071)</u>	<u>-</u>
Decrease in Net Assets	(1,204,980)	(2,149,083)	(793,448)	(1,435,966)	(1,998,428)	(3,585,049)
Net Assets - July 1, as Restated	<u>37,070,341</u>	<u>39,219,424</u>	<u>32,430,184</u>	<u>33,866,150</u>	<u>69,500,525</u>	<u>73,085,574</u>
Net Assets - June 30	<u>\$ 35,865,361</u>	<u>\$ 37,070,341</u>	<u>\$ 31,636,736</u>	<u>\$ 32,430,184</u>	<u>\$ 67,502,097</u>	<u>\$ 69,500,525</u>

## Governmental Activities

### Revenues

- Generally, revenues remained consistent with 2010 except for a \$748,099 decline in unrestricted grants.

### Expenses

- Government activity expenses decreased by \$839,126 from FY 2010 primarily as a result of an \$851,838 drop in public safety.
- Net assets were also negatively affected by the \$550,992 decline in fund balances, and depreciation charges \$1,252,751 in excess of new capital assets.

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

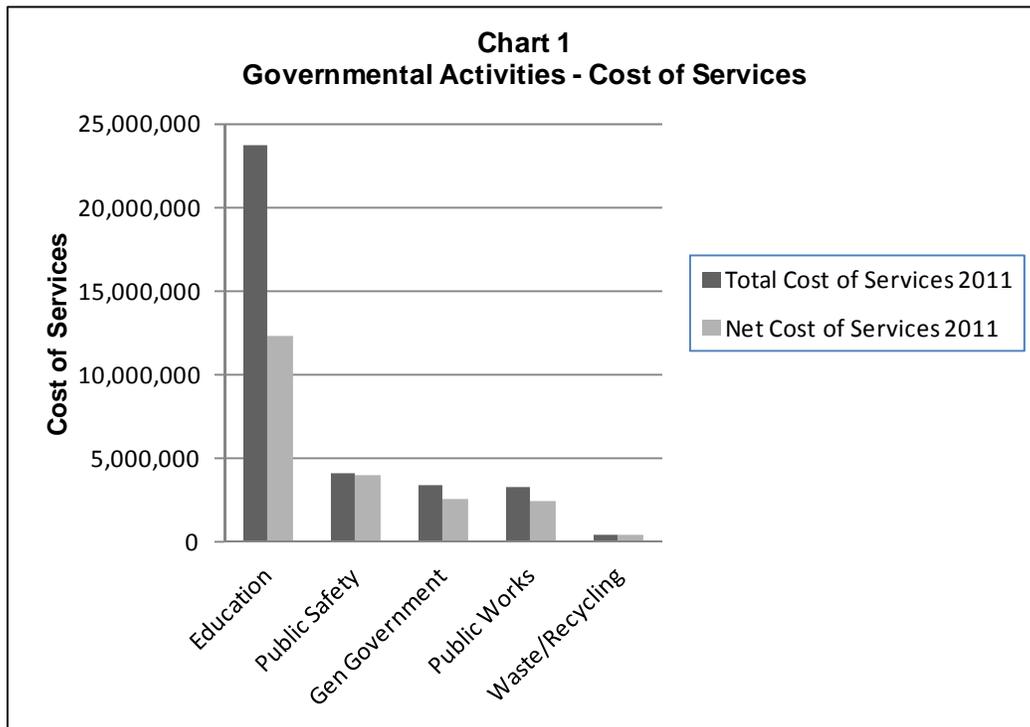
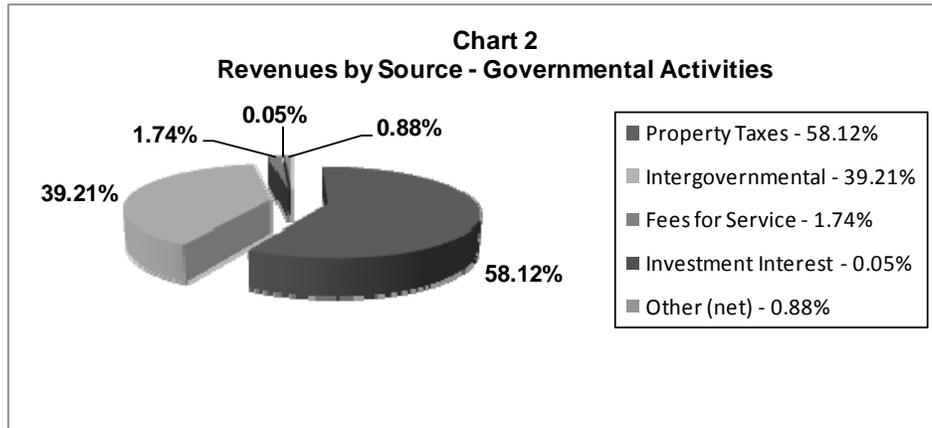


Chart 2 presents the various sources of revenue that fund Town operations. The percentages indicate what part of the whole each segment represents.

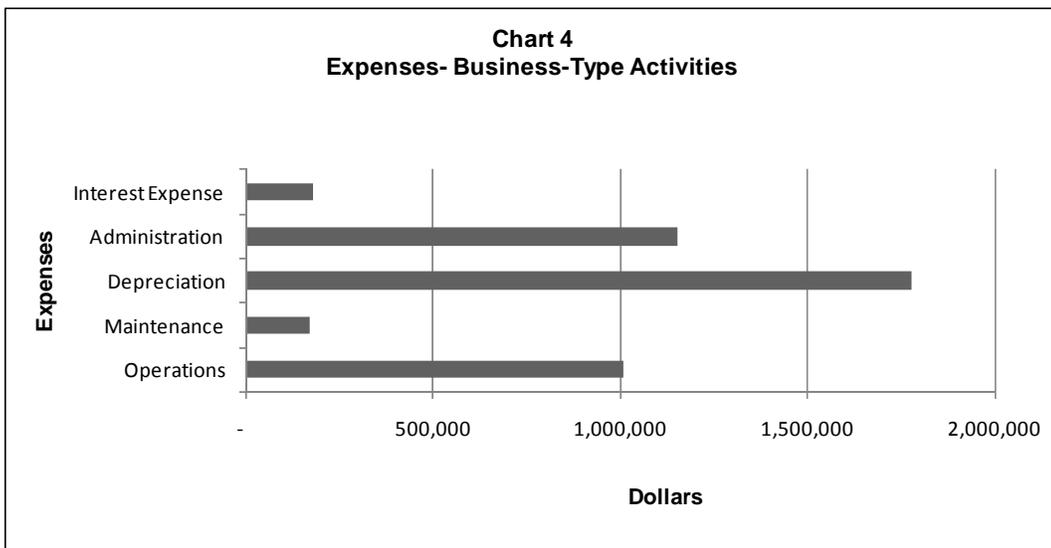
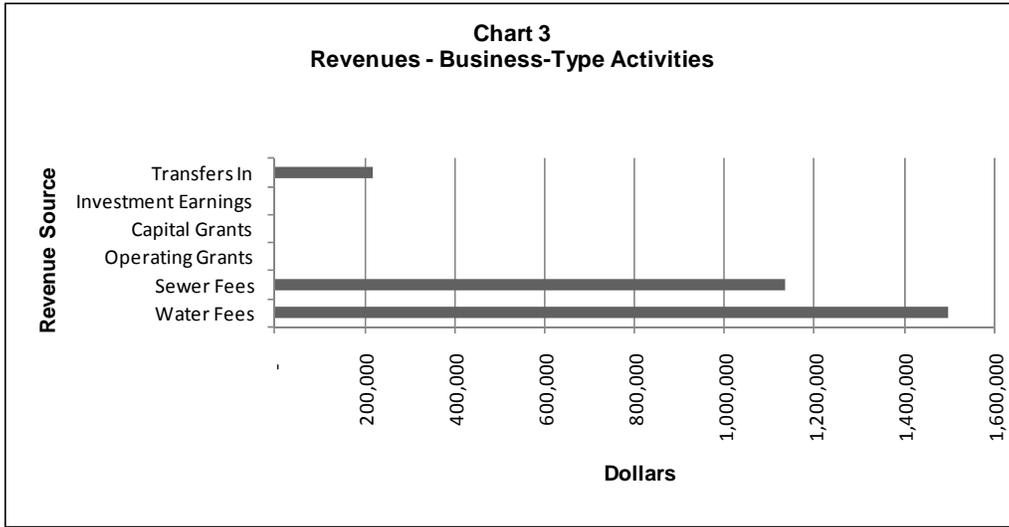


### **Business-Type activities**

Water and sewer business-type activities lowered business-type activity net assets by \$793,448 after a General Fund transfer-in of \$215,838 for debt service and other losses. Key elements of enterprise fund performance are as follows:

- Water and sewer charges for services, fines and penalties, grants, and other revenue sources were \$55,958 above last year's levels;
- Capital grants and contributions were negligible as improvement projects reached completion;
- Water operating expenses were down by \$194,557 as a result of lower operational costs and depreciation charges;
- Sewer operating expenses were also lower this year by \$422,146 because of lower depreciation charges.

The following charts reflect our water and sewer utility operations for fiscal year 2011 regarding sources of revenue and classes of expenses.



## **Financial Analysis of the Government's Funds**

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

### **Governmental Funds.**

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Winchester's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the Town's governmental funds reported a combined ending fund balance of \$487,086, a decrease of \$550,992 in comparison with the prior fiscal year's fund balance of \$1,038,078. The beginning fund balance was restated due to the implementation of GASB Statement No. 54 in the amount of \$(48,805) in order to consolidate the Dog Fund which no longer met the definition of a special revenue fund.

All three major funds plus the combined nonmajor governmental funds posted negative operating results for the year, with the exception of the Small Cities Fund which posted a \$73,467 addition to fund balance. Positive fund balances can be reported in the General fund (\$164,561; down \$548,333, the Small Cities Fund (\$79,336; up \$73,467), and the combined nonmajor special revenue and permanent funds (\$790,046; down \$3,072). Negative fund balance is reported in the Sewer Assessment Fund (\$546,857); down \$73,054.

More detail may be found in the combining statements for the nonmajor governmental funds.

### General Fund

The General Fund is the chief operating fund of the Town of Winchester. At the end of the fiscal year, unassigned fund balance of the General Fund was \$112,527 while total fund balance equaled \$164,561. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total General Fund revenues. Unreserved fund balance represents .35% of total General Fund revenues of \$31,713,426 while total fund balance represents .52% of that same amount. Winchester's General Fund fund balance decreased by \$548,333 during the fiscal year. Actual expenditures exceeded actual revenues by \$64,254 due to less property taxes collected than budgeted (\$225,467) and a drop in the anticipated state education grants. The difference was ameliorated by strong expenditure budgetary constraints that generated almost \$827,000 in less than budgeted expenditures. See "General Fund Budget Highlights" below.

### Small Cities Fund

The Town considers the Small Cities Fund to be a major fund, using it to track homeowner loans to and repayments by Winchester residents. Its fund balance of \$79,336 is cash on deposit plus a receivable from the general fund. During the year, this fund took in \$72,074 in loan repayments, \$157,801 in grants and expended \$156,408 in program and project expenditures. The excess of expenditures over revenues of \$73,467 translated directly to a fund balance increase of the same amount.

### Sewer Assessment Fund

Also considered a major fund, the Sewer Assessment Fund accepts and tracks assessments paid for sewer usage, connections, and maintenance. Its primary function is to provide funding for debt service payments on the outstanding sewer bonds. For FY 2011, \$198,417 was taken in as other local revenues and \$55,633 was disbursed in interest payments. An additional \$215,838 was transferred-out to further assist with sewer debt service. The net change in fund balance was a decrease of \$73,054 taking fund balance further downward from (\$473,803) to (\$546,857).

### **Proprietary Funds.**

The Town of Winchester's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of water and sewer operations at the end of the year amounted to (\$1,232,965), a further decline of \$793,448 from the previous year. Both water and sewer operations generated net operating losses for the year totaling \$793,448. A transfer-in from the sewer assessment fund of \$215,838 for sewer debt service (but somewhat offset by other losses of \$52,992) helped reduce the combined proprietary funds' shortfall.

### **General Fund Budgetary Highlights**

The original revenue budget remained unchanged at \$30,639,259. Some of the more significant variances in actual versus the final amended budget are detailed below:

#### Revenues

Overall, the revenue budget fell \$800,826 below expectations. Some of the contributing factors are listed below:

- ❖ Property tax collections were off budget by \$225,467;
- ❖ State of Connecticut general government grants were \$870,259 less than anticipated;

#### Expenditures

The expenditure budget experienced a positive variance of \$826,378 driven by reduced outlays in the capital outlay budget by \$749,633.

## Capital Asset and Debt Administration

**Capital Assets.** The Town of Winchester’s investment in capital assets for its governmental and proprietary fund assets includes land, buildings and systems improvements, machinery and equipment, park facilities, roads, highways, sewer systems, water systems and bridges. The total increase in investment in capital assets was \$829,934 for governmental activities and \$-0- for water and sewer (before depreciation).

Major government-wide capital asset events during the current fiscal year included the following:

- \$396,700 of equipment additions for a Pumper Rescue Fire Truck;
- \$209,094 of improvements to Wetmore Avenue;

**Table 3**  
**Capital Assets at Year-End**  
**(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 25,700,445	\$ 25,700,445	\$ 92,847	\$ 92,847	\$ 25,793,292	\$ 25,793,292
Buildings	733,772	753,268	23,363,072	24,142,642	24,096,844	24,895,910
Improvements	2,011,127	1,997,332			2,011,127	1,997,332
Infrastructure	11,685,005	12,021,260	13,713,831	14,040,411	25,398,836	26,061,671
Machinery and equipment	<u>3,853,705</u>	<u>3,652,418</u>	<u>936,518</u>	<u>1,083,119</u>	<u>4,790,223</u>	<u>4,735,537</u>
Totals	<u>\$ 43,984,054</u>	<u>\$ 44,124,723</u>	<u>\$ 38,106,268</u>	<u>\$ 39,359,019</u>	<u>\$ 82,090,322</u>	<u>\$ 83,483,742</u>

Additional information on the Town of Winchester’s capital assets can be found in Note 3.C., Capital Assets, of this report.

**Long-Term Debt.** At the end of the fiscal year, the Town of Winchester had \$5,881,000 of general fund bonded debt and \$5,141,599 of self-supporting water and sewer bonded and long-term debt outstanding. No new bonded or long-term debt was issued during the year. All outstanding bonded and long-term obligations comprise general obligation debt backed by the full faith and credit of the government. Water and sewer debt, while fully backed by the Town, is first paid from assessments, levies and fines, and other Water and Sewer Fund resources which have been sufficient to fully pay principal of and interest on outstanding water and sewer obligations.

**Table 4**  
**Long-Term and Short-Term Debt**

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Issue</u>	<u>Outstanding</u>	<u>Maturity</u>
<b>Bonds</b>					
8/14/08	Public Improvements	4.02	\$ 6,316,000	\$ 5,466,000	2023
11/1/98	General Purpose (Water)	3.50-5.50	1,500,000	300,000	2014
8/15/02	Sewer	3.00-5.00	6,290,000	2,325,000	2022
1/15/04	General Purpose (Water)	2.00-3.85	3,900,000	2,000,000	2014
<b>Other</b>					
11/1/10	General Obligation Serial Note	3.00	415,000	415,000	2016
1/31/08	Clean water fund loans	2.00	<u>642,019</u>	<u>516,599</u>	2027
	Total		<u>\$ 19,063,019</u>	<u>\$ 11,022,599</u>	

The Town of Winchester's General Fund debt decreased by \$10,000. The Town also paid scheduled principal of \$812,976 on water and sewer debt.

The Town's credit rating from Moody's Investors Service, Inc., on its general obligation debt for the fiscal year ended June 30, 2011 was "A1."

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its tax collections plus interest and lien fees. For June 30, 2011, the maximum amount of borrowing permitted under the formula is \$148,714,174. With net borrowings of \$11,022,599, the Town outstanding general obligation debt is \$134,691,575 below the maximum debt limitation (see "Schedule of Debt Limitation" in this report).

Additional information on long-term debt can be found in Note 3E., Long-Term Debt, of this document.

#### **Economic Factors and Next Year's Budget**

- The unemployment rate for Winchester was 8.6 % on June 30, 2011, which is down from a rate of 8.7% one year prior.
- Inflationary trends in the region compare favorably to the national indices.
- The fiscal year 2012 budget was passed at a town-wide referendum on May 28, 2011.

The FY 2011-12 budget of \$30,732,523 provides a \$93,264 (.30%) increase over the previous year reflecting a marginal difference in taxes levied (\$69,145) but significantly more in Board of Education state aid (\$1,067,108). During State budget deliberations, municipalities were told that the Manufacturing PILOT grant was going to be eliminated which results in a reduction of \$193,000. Local revenues continue to decrease such as Building Permits, reduction of \$30,000 and Income on Investments, reduction of \$40,000. On the expenditure side, the budget provides for a \$735,000 contribution to Fund Balance to begin rebuilding a healthy reserve fund as recommended by Moody's. Other noteworthy expenditure changes are as follows:

- ❖ Reduction of \$443,536 in Education funding;
- ❖ Increase of \$87,000 to begin the Revaluation process as required by State Statute;
- ❖ Increase of \$128,000 in Police Pension costs.

All of these factors were considered in preparing Winchester's budget for the 2012 fiscal year.

### **Requests for Information**

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

## BASIC FINANCIAL STATEMENTS

## TOWN OF WINCHESTER, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 2,141,246	\$ 95,631	\$ 2,236,877
Receivables, net	4,465,693	177,008	4,642,701
Internal balances	1,793,031	(1,793,031)	-
Other assets	200,213	773,440	973,653
Capital assets:			
Assets not being depreciated	25,700,445	92,847	25,793,292
Assets being depreciated, net	18,283,609	38,013,421	56,297,030
Total assets	<u>52,584,237</u>	<u>37,359,316</u>	<u>89,943,553</u>
Liabilities:			
Accounts payable and accrued items	1,525,678	305,116	1,830,794
Due to other governments	167,255		167,255
Unearned revenue	2,613,631		2,613,631
Noncurrent liabilities:			
Due within one year	1,128,102	833,704	1,961,806
Due in more than one year	11,284,210	4,583,760	15,867,970
Total liabilities	<u>16,718,876</u>	<u>5,722,580</u>	<u>22,441,456</u>
Net Assets:			
Invested in capital assets, net of related debt	37,937,496	32,869,701	70,807,197
Restricted for purposes of trust:			
Nonexpendable	507,907		507,907
Expendable	16,351		16,351
Unrestricted	<u>(2,596,393)</u>	<u>(1,232,965)</u>	<u>(3,829,358)</u>
Total Net Assets	<u>\$ 35,865,361</u>	<u>\$ 31,636,736</u>	<u>\$ 67,502,097</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WINCHESTER, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities:						
Board of Education	\$ 23,668,453	\$ 171,398	\$ 11,177,928	\$	\$ (12,319,127)	\$ (12,319,127)
Public safety	4,115,483	158,752	18,367	600	(3,937,764)	(3,937,764)
Public works	3,175,507	74,551	157,801	566,922	(2,376,233)	(2,376,233)
General government	3,358,796	484,494	20,497	365,137	(2,488,668)	(2,488,668)
Health	289,932				(289,932)	(289,932)
Parks and recreation	244,723	28,493	46		(216,184)	(216,184)
Library	194,141				(194,141)	(194,141)
Waste disposal and recycling	335,869				(335,869)	(335,869)
Interest on long-term debt	283,729				(283,729)	(283,729)
Total governmental activities	<u>35,666,633</u>	<u>917,688</u>	<u>11,374,639</u>	<u>932,659</u>	<u>(22,441,647)</u>	<u>(22,441,647)</u>
Business-type activities:						
Waterworks	1,763,578	1,513,425			(250,153)	(250,153)
Sewer	1,880,397	1,171,571		2,685	(706,141)	(706,141)
Total business-type activities	<u>3,643,975</u>	<u>2,684,996</u>	<u>-</u>	<u>2,685</u>	<u>(956,294)</u>	<u>(956,294)</u>
Total	<u>\$ 39,310,608</u>	<u>\$ 3,602,684</u>	<u>\$ 11,374,639</u>	<u>\$ 935,344</u>	<u>(22,441,647)</u>	<u>(23,397,941)</u>
General revenues:						
Property taxes					20,820,308	20,820,308
Grants and contributions not restricted to specific programs					622,394	622,394
Unrestricted investment earnings					44,360	44,360
Miscellaneous					449,522	449,522
Transfers					(215,838)	-
Total general revenues and transfers					<u>21,720,746</u>	<u>21,936,584</u>
Loss on assets					484,079	537,071
Change in net assets					(1,204,980)	(1,998,428)
Net assets at beginning of year, as restated					<u>37,070,341</u>	<u>69,500,525</u>
Net Assets at End of Year					<u>\$ 35,865,361</u>	<u>\$ 67,502,097</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WINCHESTER, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2011**

	<u>General</u>	<u>Small Cities</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,869,076	\$ 9,336	\$	\$ 262,835	\$ 2,141,247
Receivables, net	835,845	2,084,994	995,522	265,370	4,181,731
Due from other funds	2,533,515	70,000		1,285,374	3,888,889
Other assets	200,213				200,213
Total Assets	<u>\$ 5,438,649</u>	<u>\$ 2,164,330</u>	<u>\$ 995,522</u>	<u>\$ 1,813,579</u>	<u>\$ 10,412,080</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable and accrued items	\$ 1,194,806	\$	\$ 3,922	\$ 244,538	\$ 1,443,266
Due to other funds	1,355,374		549,743	190,741	2,095,858
Due to other governments	9,025			158,230	167,255
Deferred revenue	2,714,883	2,084,994	988,714	430,024	6,218,615
Total liabilities	<u>5,274,088</u>	<u>2,084,994</u>	<u>1,542,379</u>	<u>1,023,533</u>	<u>9,924,994</u>
Fund balances:					
Nonspendable				507,907	507,907
Restricted		79,336		158,151	237,487
Committed				308,806	308,806
Assigned	52,034				52,034
Unassigned	112,527		(546,857)	(184,818)	(619,148)
Total fund balances	<u>164,561</u>	<u>79,336</u>	<u>(546,857)</u>	<u>790,046</u>	<u>487,086</u>
Total Liabilities and Fund Balance	<u>\$ 5,438,649</u>	<u>\$ 2,164,330</u>	<u>\$ 995,522</u>	<u>\$ 1,813,579</u>	<u>\$ 10,412,080</u>

(Continued on next page)

## TOWN OF WINCHESTER, CONNECTICUT

## BALANCE SHEET- GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 487,086
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Governmental capital assets	\$ 68,428,493
Less accumulated depreciation	<u>(24,444,439)</u>
	43,984,054
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Property taxes receivable greater than 60 days	531,276
Sewer assessments receivable greater than 60 days	988,714
Loan receivable greater than 60 days	2,084,994
Interest receivable on property taxes	219,033
Interest receivable on sewer assessments	64,929
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds payable	(5,881,000)
Pension obligation	(1,475,275)
OPEB obligation	(970,291)
Pollution remediation	(599,975)
Capital leases payable	(165,558)
Claims and judgments payable	(1,825,802)
Early retirement incentives	(170,000)
Interest payable on bonds	(82,413)
Compensated absences	<u>(1,324,411)</u>
Net Assets of Governmental Activities (Exhibit I)	<u>\$ 35,865,361</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Small Cities</u>	<u>Sewer Assessment</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes, interest and lien fees	\$ 20,736,727	\$	\$	\$	\$ 20,736,727
Intergovernmental revenues	10,019,954	157,801		2,743,642	12,921,397
Other local revenues	<u>956,745</u>	<u>72,074</u>	<u>198,417</u>	<u>192,627</u>	<u>1,419,863</u>
Total revenues	<u>31,713,426</u>	<u>229,875</u>	<u>198,417</u>	<u>2,936,269</u>	<u>35,077,987</u>
Expenditures:					
Current:					
Board of Education	20,951,073			2,542,093	23,493,166
Program and project expenditures	145,878	156,408			302,286
Public safety	3,275,734			1,580	3,277,314
Public works	1,841,822			117,491	1,959,313
Miscellaneous	583,544				583,544
General government	2,388,636			276,937	2,665,573
Health	289,932				289,932
Parks and recreation	206,805				206,805
Library	194,141				194,141
Waste disposal and recycling	335,869				335,869
Debt service:					
Principal retirement	425,000				425,000
Interest	234,501		55,633		290,134
Capital outlay	<u>904,745</u>			<u>416,240</u>	<u>1,320,985</u>
Total expenditures	<u>31,777,680</u>	<u>156,408</u>	<u>55,633</u>	<u>3,354,341</u>	<u>35,344,062</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(64,254)</u>	<u>73,467</u>	<u>142,784</u>	<u>(418,072)</u>	<u>(266,075)</u>
Other Financing Sources (Uses):					
Issuance of bond serial note				415,000	415,000
Transfers out			<u>(215,838)</u>		<u>(215,838)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(215,838)</u>	<u>415,000</u>	<u>199,162</u>
Loss on Assets	<u>484,079</u>				<u>484,079</u>
Net Change in Fund Balances	(548,333)	73,467	(73,054)	(3,072)	(550,992)
Fund Balances at Beginning of Year, as Restated	<u>712,894</u>	<u>5,869</u>	<u>(473,803)</u>	<u>793,118</u>	<u>1,038,078</u>
Fund Balances at End of Year	<u>\$ 164,561</u>	<u>\$ 79,336</u>	<u>\$ (546,857)</u>	<u>\$ 790,046</u>	<u>\$ 487,086</u>

(Continued on next page)

## TOWN OF WINCHESTER, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances - Governmental Funds:

Amounts reported for governmental activities in the statement of activities (Exhibit II)  
are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (550,992)
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Governmental funds report capital outlays as expenditures. However, in  
the statement of activities the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	829,934
Less current year depreciation	(970,603)

Revenues in the statement of activities that do not provide current financial  
resources are not reported as revenues in the funds.

Property taxes collected accrual basis change	71,972
Sewer assessment revenue accrual basis change	(138,782)
Loan revenue accrual basis change	(72,075)
Interest income on property taxes	11,609
Interest income on sewer assessments	44,316

The issuance of long-term debt (e.g., bonds, leases) provides current financial  
resources to governmental funds, while the repayment of the principal of  
long-term debt consumes the current financial resources of governmental  
funds. Neither transaction, however, has any effect on net assets.

Principal payments	666,106
Issuance of bond serial note	(415,000)
Accrued interest	6,394

Some expenses reported in the statement of activities do not require the use of current financial  
resources and, therefore, are not reported as expenditures in governmental funds.

Pension obligation	(265,535)
OPEB obligation	(252,533)
Pollution remediation	(68,727)
Claims and judgments	(54,130)
Early retirement incentives	(20,000)
Change in long-term compensated absences	<u>(26,934)</u>

Change in Net Assets of Governmental Activities (Exhibit II)	\$ <u><u>(1,204,980)</u></u>
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The accompanying notes are an integral part of the financial statements

## TOWN OF WINCHESTER, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2011

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 61,050	\$ 34,581	\$ 95,631
Receivables, net	109,409	67,599	177,008
Due from other funds		791,047	791,047
Accrued utility revenue	368,528	240,970	609,498
Total current assets	<u>538,987</u>	<u>1,134,197</u>	<u>1,673,184</u>
Noncurrent assets:			
Nondepreciable capital assets	63,212	29,635	92,847
Capital assets, net of accumulated depreciation	17,367,516	20,645,905	38,013,421
Unamortized bond costs, net	55,504	108,438	163,942
Total noncurrent assets	<u>17,486,232</u>	<u>20,783,978</u>	<u>38,270,210</u>
Total assets	<u>18,025,219</u>	<u>21,918,175</u>	<u>39,943,394</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued items	167,820	137,296	305,116
Due to other funds	1,135,200	1,448,878	2,584,078
Current portion of long-term debt	366,673	467,031	833,704
Total current liabilities	<u>1,669,693</u>	<u>2,053,205</u>	<u>3,722,898</u>
Noncurrent liabilities:			
Compensated absences	58,424	82,310	140,734
Clean water fund loans		488,058	488,058
Bonds payable	1,978,330	1,976,638	3,954,968
Total noncurrent liabilities	<u>2,036,754</u>	<u>2,547,006</u>	<u>4,583,760</u>
Total liabilities	<u>3,706,447</u>	<u>4,600,211</u>	<u>8,306,658</u>
Net Assets:			
Invested in capital assets, net of related debt	15,102,398	17,767,303	32,869,701
Unrestricted	<u>(783,626)</u>	<u>(449,339)</u>	<u>(1,232,965)</u>
Total Net Assets	<u>\$ 14,318,772</u>	<u>\$ 17,317,964</u>	<u>\$ 31,636,736</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WINCHESTER, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 1,461,121	\$ 1,007,979	\$ 2,469,100
Fines, penalties and interest	51,629	36,742	88,371
Other	675	126,850	127,525
Total operating revenues	<u>1,513,425</u>	<u>1,171,571</u>	<u>2,684,996</u>
Operating Expenses:			
Operations	402,248	574,521	976,769
Maintenance	54,348	76,417	130,765
Depreciation expense	608,551	644,200	1,252,751
Administration	611,185	518,198	1,129,383
Total operating expenses	<u>1,676,332</u>	<u>1,813,336</u>	<u>3,489,668</u>
Operating Loss	(162,907)	(641,765)	(804,672)
Nonoperating Expense:			
Interest expense	<u>(87,246)</u>	<u>(67,061)</u>	<u>(154,307)</u>
Loss Before Transfers, Capital Grants and Loss on Assets	<u>(250,153)</u>	<u>(708,826)</u>	<u>(958,979)</u>
Transfers and Capital Grants:			
Capital grants		2,685	2,685
Transfers in		215,838	215,838
Total transfers and capital grants	<u>-</u>	<u>218,523</u>	<u>218,523</u>
Loss on Assets	<u>26,746</u>	<u>26,246</u>	<u>52,992</u>
Change in Net Assets	(276,899)	(516,549)	(793,448)
Net Assets at Beginning of Year	<u>14,595,671</u>	<u>17,834,513</u>	<u>32,430,184</u>
Net Assets at End of Year	<u>\$ 14,318,772</u>	<u>\$ 17,317,964</u>	<u>\$ 31,636,736</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WINCHESTER, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Waterworks</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 1,532,081	\$ 1,171,888	\$ 2,703,969
Receipts from interfund services		326,630	326,630
Payments for interfund services	(367)	(66,260)	(66,627)
Payments to employees	(604,776)	(510,473)	(1,115,249)
Payments to suppliers	(416,406)	(617,854)	(1,034,260)
Payments to suppliers loss on cash	(14,517)	(25,418)	(39,935)
Net cash provided by operating activities	<u>496,015</u>	<u>278,513</u>	<u>774,528</u>
Cash Flows from Noncapital Financing Activities:			
Transfers in		<u>215,838</u>	<u>215,838</u>
Cash Flows from Capital and Related Financing Activities:			
Capital grants		2,685	2,685
Principal payments on bonds payable	(365,000)	(419,999)	(784,999)
Principal payments on clean water fund loans		(27,976)	(27,976)
Interest paid on bonds payable and clean water fund loans	(83,365)	(63,262)	(146,627)
Net cash used in capital and related financing activities	<u>(448,365)</u>	<u>(508,552)</u>	<u>(956,917)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	47,650	(14,201)	33,449
Cash and Cash Equivalents at Beginning of Year	<u>13,400</u>	<u>48,782</u>	<u>62,182</u>
Cash and Cash Equivalents at End of Year	<u>\$ 61,050</u>	<u>\$ 34,581</u>	<u>\$ 95,631</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:			
Operating loss	\$ (162,907)	\$ (641,765)	\$ (804,672)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	608,551	644,200	1,252,751
Loss on cash	(14,517)	(25,418)	(39,935)
Change in assets and liabilities:			
(Increase) decrease in rents receivable	15,824	11,238	27,062
(Increase) decrease in accrued utility revenue	2,832	(10,921)	(8,089)
(Increase) decrease in amounts due from other funds		(66,260)	(66,260)
(Increase) decrease in prepaid items	15,525	8,722	24,247
Increase (decrease) in accounts payable and accrued expenses	24,665	24,362	49,027
Increase (decrease) in accrued vacation and sick leave benefits	6,409	7,725	14,134
Increase (decrease) in amounts due to other funds	(367)	326,630	326,263
Total adjustments	<u>658,922</u>	<u>920,278</u>	<u>1,579,200</u>
Net Cash Provided by Operating Activities	<u>\$ 496,015</u>	<u>\$ 278,513</u>	<u>\$ 774,528</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WINCHESTER, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2011

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ 266,746	\$ 38,963
Investments, at fair value:		
U.S. Government obligations	564,954	
Domestic corporate bonds	111,947	
Mutual funds	4,035,132	
Short-term investments	1,662,792	
Total investments	<u>6,374,825</u>	<u>-</u>
Accrued income	<u>14,210</u>	
Accounts receivable	<u>699,577</u>	
Total assets	7,355,358	<u>\$ 38,963</u>
Liabilities:		
Fiduciary deposits		<u>\$ 38,963</u>
Net Assets:		
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 7,355,358</u>	

The accompanying notes are an integral part of the financial statements

## TOWN OF WINCHESTER, CONNECTICUT

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<b>Pension Trust Fund</b>
Additions:	
Contributions:	
Employer	\$ 197,367
Plan members	111,562
Total contributions	<u>308,929</u>
Investment income:	
Net appreciation in fair value of investments	978,039
Interest	131,652
Net investment income	<u>1,109,691</u>
Total additions	<u>1,418,620</u>
Deductions:	
Benefits	566,754
Administrative expenses	16,369
Total deductions	<u>583,123</u>
Change in net assets	835,497
Net Assets at Beginning of Year	<u>6,519,861</u>
Net Assets at End of Year	<u>\$ 7,355,358</u>

The accompanying notes are an integral part of the financial statements

# TOWN OF WINCHESTER, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

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

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

#### B. Basis of Presentation

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

#### Government-Wide and Fund Financial Statements

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

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

The Town reports the following major governmental funds:

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

The *Small Cities Fund* is used to account for federal grant revenues from the U.S. Department of Housing and Urban Development and subsequent loans to entities for various grant years.

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

The Town reports the following major proprietary funds:

The *Waterworks Fund* is used to account for the financial operations of the Winsted Waterworks. All necessary activities to provide such services are included in this fund, including, but not limited to, administration, operations, maintenance, financing and billing and collection. 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.

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

Additionally, the Town reports the following fund types:

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

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

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

#### **C. Cash Equivalents**

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

#### **D. Investments**

Investments are stated at fair value.

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **E. Inventories**

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

#### **F. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

#### **G. Capital Assets**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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Property, plant and equipment and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives.

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

**H. Long-Term Obligations**

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

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

**I. Compensated Absences**

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

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

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### **J. Equity**

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

*Invested in Capital Assets, Net of Related Debt* - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

*Restricted Net Assets* - Net assets are restricted because they are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Assets* - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

*Nonspendable Fund Balance* - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

*Restricted Fund Balance* - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of other governments.

*Committed Fund Balance* - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority, Winchester Board of Selectmen.

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

*Unassigned Fund Balance* - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

# TOWN OF WINCHESTER, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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### **K. Property Taxes**

The Town's property tax is levied each July 1 on the assessed value as of the prior October 1 for all real property, motor vehicles and commercial personal property located in the Town. Assessed values are established by the Town Assessment Board at 70% of estimated market value. A physical revaluation of all real property is required to be completed every ten years, and a statistical revaluation is required to be completed every five years. The Town had a revaluation of its property as of October 1, 2007. The Town's property tax is levied each June on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. A mill rate was applied to the Grand List. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are placed on delinquent accounts in June following the levy date.

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

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

### **L. Accounting Estimates**

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

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

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 Dog Fund and, accordingly, are not included in the government-wide financial statements.

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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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.
- 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.
- 5) 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.

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

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

Budgeted amounts are as originally adopted, or as amended by the Board of Selectmen. There were no additional appropriations made for the year ended June 30, 2011.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2011, expenditures exceeded appropriations in the General Fund at the following departmental levels:

Accounting Department	\$ 5,878
Insurance	63,515
Town Counsel	6,810
Assessor	2,240
Building	255
Purchasing/Data Processing	516
Vacation and sick pay accrual	44,770
Unemployment compensation	42,856
Miscellaneous	60,673
Street lighting	18,566
Interest	6,225
Transfers out	108

These overexpenditures were funded by greater than anticipated revenues and available fund balance.

**C. Deficit Fund Equity**

The following funds had deficit fund balances as of June 30, 2011:

Sewer Assessment Fund	\$ 546,857
Brownsfield Pilot Program	19,994
Federal and State Education Grants Fund	1,078
Police Retirees Benefit Fund	28,717
Capital Improvements Fund	135,029

The Town plans to fund deficits through contributions and future revenues.

**3. DETAILED NOTES ON ALL FUNDS**

**A. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

#### **Deposits**

*Deposit Custodial Credit Risk* - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$2,930,403 of the Town's bank balance of \$3,386,475 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,612,363
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>318,040</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 2,930,403</u></u>

**Cash Equivalents**

At June 30, 2011, the Town's cash equivalents amounted to \$276,326. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<b>Standard &amp; Poor's</b>	<b>Fitch Ratings</b>
State Tax Exempt Proceeds Fund*		
Bank of America NA Cash Management Assets*		

\*Not rated

**Investments**

As of June 30, 2011, the Town had the following investments:

<b>Investment Type</b>	<b>Credit Rating</b>	<b>Fair Value</b>	<b>Not Applicable</b>	<b>Investment Maturities (Years)</b>		
				<b>Less Than 1</b>	<b>1-10</b>	<b>More Than 10</b>
US Treasury Bond	N/A	\$ 189,375	\$	\$		\$ 189,375
US Treasury Notes	N/A	50,377			50,377	
US Asset and Mortgage Backed Domestic Corporate Bonds	AAA	325,202			325,202	
Proctor & Gamble Mutual Funds	AA-	111,947			111,947	
	N/A	<u>5,697,924</u>	<u>5,697,924</u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Investments		<u>\$ 6,374,825</u>	<u>\$ 5,697,924</u>	<u>\$ -</u>	<u>\$ 487,526</u>	<u>\$ 189,375</u>

N/A - not applicable

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

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

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

*Custodial Credit Risk* - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Reich & Tang investments are 2a-7 like pools.

**B. Receivables**

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

	<u>General</u>	<u>Small Cities</u>	<u>Sewer Assessment</u>	<u>Waterworks</u>	<u>Sewer</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Property taxes	\$ 653,339						\$ 653,339
Sewer assessment			995,522				995,522
Intergovernmental	133,036					263,889	396,925
Loans		2,084,994					2,084,994
Rents and assessments				125,315	75,804		201,119
Accounts	94,885					701,058	795,943
Gross receivables	<u>881,260</u>	<u>2,084,994</u>	<u>995,522</u>	<u>125,315</u>	<u>75,804</u>	<u>964,947</u>	<u>5,127,842</u>
Less allowance for uncollectibles:							
Property taxes	(45,415)						(45,415)
Rents and assessments				(15,906)	(8,205)		(24,111)
Total allowance	<u>(45,415)</u>	<u>-</u>	<u>-</u>	<u>(15,906)</u>	<u>(8,205)</u>	<u>-</u>	<u>(69,526)</u>
Net Total Receivables	<u>\$ 835,845</u>	<u>\$ 2,084,994</u>	<u>\$ 995,522</u>	<u>\$ 109,409</u>	<u>\$ 67,599</u>	<u>\$ 964,947</u>	<u>\$ 5,058,316</u>

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 531,276	\$
Prepaid taxes		2,147,232
Donations		36,375
Small Cities:		
Loan receivable	2,084,994	
Sewer Assessment:		
Delinquent assessment taxes receivable	988,714	
Nonmajor Governmental Funds:		
Education grants	<u>                    </u>	<u>430,024</u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 3,604,984</u>	<u>\$ 2,613,631</u>

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 25,700,445	\$ _____	\$ _____	\$ 25,700,445
Capital assets being depreciated:				
Buildings	3,765,210			3,765,210
Improvements	3,116,793	64,691		3,181,484
Machinery and equipment	8,422,877	513,091		8,935,968
Infrastructure	26,593,234	252,152		26,845,386
Total capital assets being depreciated	<u>41,898,114</u>	<u>829,934</u>	<u>-</u>	<u>42,728,048</u>
Less accumulated depreciation for:				
Buildings	3,011,942	19,496		3,031,438
Improvements	1,119,461	50,896		1,170,357
Machinery and equipment	4,770,459	311,804		5,082,263
Infrastructure	14,571,974	588,407		15,160,381
Total accumulated depreciation	<u>23,473,836</u>	<u>970,603</u>	<u>-</u>	<u>24,444,439</u>
Total capital assets being depreciated, net	<u>18,424,278</u>	<u>(140,669)</u>	<u>-</u>	<u>18,283,609</u>
Governmental Activities Capital Assets, Net	<u>\$ 44,124,723</u>	<u>\$ (140,669)</u>	<u>\$ -</u>	<u>\$ 43,984,054</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 92,847	\$ _____	\$ _____	\$ 92,847
Capital assets being depreciated:				
Buildings and improvements	37,270,652			37,270,652
Machinery and equipment	6,529,508			6,529,508
Infrastructure	15,646,264			15,646,264
Total capital assets being depreciated	<u>59,446,424</u>	<u>-</u>	<u>-</u>	<u>59,446,424</u>
Less accumulated depreciation for:				
Buildings and improvements	13,128,010	779,570		13,907,580
Machinery and equipment	5,446,389	146,601		5,592,990
Infrastructure	1,605,853	326,580		1,932,433
Total accumulated depreciation	<u>20,180,252</u>	<u>1,252,751</u>	<u>-</u>	<u>21,433,003</u>
Total capital assets being depreciated, net	<u>39,266,172</u>	<u>(1,252,751)</u>	<u>-</u>	<u>38,013,421</u>
Business-Type Activities Capital Assets, Net	<u>\$ 39,359,019</u>	<u>\$ (1,252,751)</u>	<u>\$ -</u>	<u>\$ 38,106,268</u>

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

Governmental activities:	
General government	\$ 106,288
Public safety	70,476
Public works	715,191
Education	48,822
Parks and recreation	<u>29,826</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 970,603</u>
Business-type activities:	
Water	\$ 608,551
Sewer	<u>644,200</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 1,252,751</u>

**Construction Commitments**

The Town has active construction projects as of June 30, 2011. The projects include water and drainage projects, public works buildings and town hall enhancements. At year-end, the Town's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Soldiers Monument	\$ 93,789	\$ 52,636
Willow Street Retaining Wall	<u>413,878</u>	<u>30,122</u>
Total	<u>\$ 507,667</u>	<u>\$ 82,758</u>

The commitments are being financed with general obligation bonds, bond anticipation notes, and State and Federal grants.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**D. Interfund Receivables, Payables and Transfers**

Interfund receivables and payables are a result of temporary loans and/or advances to various funds. The composition of interfund balances as of June 30, 2011 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Fund	\$ 1,448,878
	Waterworks Fund	893,896
	Nonmajor Governmental Funds	<u>190,741</u>
		<u>2,533,515</u>
Small Cities	General Fund	<u>70,000</u>
Nonmajor Governmental Funds	General Fund	<u>1,285,374</u>
Sewer Fund	Waterworks Fund	241,304
	Sewer Assessment Fund	<u>549,743</u>
		<u>791,047</u>
Total		<u>\$ 4,679,936</u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds and bond payments in the Sewer Fund paid from sewer assessments. The Sewer Assessment fund transferred \$215,838 to the Sewer Fund in the current year.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**E. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds and notes	\$ 5,891,000	\$ 415,000	\$ 425,000	\$ 5,881,000	\$ 508,000
Capital leases	406,664		241,106	165,558	80,456
Compensated absences	1,297,477	299,554	272,620	1,324,411	256,761
Heart and hypertension	1,771,672	219,961	165,831	1,825,802	182,885
Pollution remediation	531,248	68,727		599,975	
Early retirement incentives	150,000	90,000	70,000	170,000	100,000
Pension obligation	1,209,740	265,535		1,475,275	
OPEB obligation	717,758	252,533		970,291	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 11,975,559</u>	<u>\$ 1,611,310</u>	<u>\$ 1,174,557</u>	<u>\$ 12,412,312</u>	<u>\$ 1,128,102</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 5,410,000		\$ 785,000	\$ 4,625,000	\$ 765,000
Plus deferred amounts:					
Issuance premiums on refunding	105,073		10,105	94,968	
Total bonds payable	<u>5,515,073</u>		<u>795,105</u>	<u>4,719,968</u>	<u>765,000</u>
Clean water fund loans	544,575		27,976	516,599	28,541
Compensated absences	<u>166,762</u>	<u>54,754</u>	<u>40,619</u>	<u>180,897</u>	<u>40,163</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 6,226,410</u>	<u>\$ 54,754</u>	<u>\$ 863,700</u>	<u>\$ 5,417,464</u>	<u>\$ 833,704</u>

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

**General Obligation Bonds**

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

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

<u>Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Annual Principal</u>	<u>Principal Outstanding June 30, 2011</u>
General purposes:						
Public improvements	8/14/08	6,316,000	4.02%	8/15/23	\$ 416,000- 425,000	\$ 5,466,000
Fire truck	11/1/10	415,000	3%	11/1/15	83,000	415,000
Water and Sewer:						
General refunding	8/15/02	6,290,000	2-5%	6/1/22	490,000 - 150,000	2,325,000
General refunding	1/15/04	3,900,000	2-4%	8/1/18	235,000	2,000,000
Water mains	11/1/98	1,500,000	3.5-5.5%	11/1/13	100,000	300,000
						<u>\$ 10,506,000</u>

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

On November 1, 2010, the Town issued a general obligation serial note for \$415,000 for the purchase of a fire truck. Principal payments of \$83,000 are due November 1, 2011 through 2015, with an interest rate of 3% maturing on November 1, 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 508,000	\$ 222,396	\$ 765,000	\$ 172,755
2013	508,000	202,821	760,000	146,757
2014	503,000	183,346	580,000	119,407
2015	503,000	163,972	425,000	99,863
2016	503,000	144,598	410,000	83,644
2017-2021	2,100,000	463,506	1,535,000	186,094
2022-2026	<u>1,256,000</u>	<u>75,576</u>	<u>150,000</u>	<u>7,125</u>
Total	\$ <u>5,881,000</u>	\$ <u>1,456,215</u>	\$ <u>4,625,000</u>	\$ <u>815,645</u>

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**Clean Water Fund Notes**

The Town is currently participating in a capital project (Wastewater Design Project) under the State of Connecticut Clean Water Fund established in accordance with Section 22a-477 of the General Statutes of Connecticut. The Clean Water Fund is administered by the State Department of Environmental Protection and provides grant and loan funds to municipalities for “eligible water quality project costs.” The notes were converted to permanent financing on January 31, 2008, and the balance as of June 30, 2011 was \$516,599. The notes carry an interest rate of 2%.

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

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012 \$	28,541	\$ 10,071
2013	29,117	9,495
2014	29,704	8,907
2015	30,304	8,308
2016	30,916	7,696
2017-2021	164,194	28,865
2022-2026	181,447	11,612
2027-2031	<u>22,376</u>	<u>149</u>
Total	<u>\$ 516,599</u>	<u>\$ 85,103</u>

Clean water fund notes will be repaid by sewer user fees.

**Pollution Remediation**

Pursuant to local laws, the Town has recorded a liability of \$599,975 for remediation of 32 Lake Street and 35 Willow Street. Management has estimated this liability taking into account data based on estimates from their consulting firm.

**Early Retirement Incentives**

During 2010 and 2011, the Board of Education offered the following options for each teacher who was eligible and who opted to participate: a) the sum of \$30,000 (less state and federal taxes and FICA contribution), payable in three equal installments, with the first payment paid to the teacher on January 4th of the following fiscal year, with annual payments in each ensuing year being due on or about January 4th; b) contribution to each teacher \$10,000 each year for three years as a subsidy towards that teacher’s health insurance costs, paid by the Board beginning in August of the next fiscal year. In 2010, one teacher chose the first option and in 2011, three teachers chose the first option; therefore, a liability of \$170,000 has been recorded in the government-wide financial statements.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**F. Leases**

**Capital Leases**

The Town has entered into lease agreements as lessee for financing the acquisition of police and public works vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u><b>Governmental Activities</b></u>
Asset:	
Equipment	\$ 2,141,454
Less accumulated depreciation	<u>1,083,042</u>
Total	<u><u>\$ 1,058,412</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

	<u><b>Governmental Activities</b></u>
Year ending June 30:	
2012	\$ 88,230
2013	88,230
2014	<u>897</u>
	177,357
Less amount representing interest	<u>11,799</u>
Present Value of Minimum Lease Payments	<u><u>\$ 165,558</u></u>

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**4. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General</u> <u>Fund</u>	<u>Major</u> <u>Special Revenue Funds</u>		<u>Governmental</u> <u>Funds</u>	<u>Total</u>
		<u>Small</u> <u>Cities</u>	<u>Sewer</u> <u>Assessment</u>		
Fund balances:					
Nonspendable:					
Endowment	\$	\$	\$	\$ 507,907	\$ 507,907
Restricted for:					
Grants				39,833	39,833
Loans		79,336			79,336
Donations				113,085	113,085
Payroll taxes				5,233	5,233
Committed to:					
General government				186,984	186,984
Public works				2,391	2,391
Education				119,431	119,431
Assigned:					
General government	11,870				11,870
Public safety	14,700				14,700
Public works	23,894				23,894
Parks and recreation	1,570				1,570
Unassigned	<u>112,527</u>		<u>(546,857)</u>	<u>(184,818)</u>	<u>(619,148)</u>
Total Fund Balances	\$ <u>164,561</u>	\$ <u>79,336</u>	\$ <u>(546,857)</u>	\$ <u>790,046</u>	\$ <u>487,086</u>

Significant encumbrances at June 30, 2011 are contained in the above table in the assigned category of the General Fund.

**5. EMPLOYEE RETIREMENT PLAN**

**A. Pension Trust Fund**

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 plan does not issue a stand-alone financial report.

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

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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months of employment are eligible to join. Police officers covered by MERF B, 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 for the Board of Education, 75 for others) receive a retirement benefit for life of 2% times years of credited service (maximum of 25 for the Board of Education, 35 for others) of the highest average three consecutive years of compensation out of the last ten prior to retirement. No cost of living adjustments are included. Members' 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.

Plan membership consisted of the following at January 1, 2010, the date of the latest actuarial valuation:

Retirees, disabled and beneficiaries currently receiving benefits	38
Terminated employees entitled to benefits but not yet receiving them	5
Current plan members	<u>56</u>
 Total	 <u><u>99</u></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.

**Contributions**

Plan participants are required to contribute to the Plan 5% (2.5% for the Board of Education) 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, 2011, the Town's required contribution was \$465,608, which represents 18% of covered payroll.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

Administrative costs of the Plan are financed through investment earnings.

**Annual Pension Cost and Net Pension Obligations**

The Town's annual pension cost and net pension obligation to the Town of Winchester Employees' Retirement Fund for the year ended June 30, 2011 were as follows:

Annual required contribution (ARC)	\$	465,608
Interest on net pension obligation		96,779
Adjustment to annual required contribution		<u>(99,485)</u>
Annual pension cost		462,902
Contributions made**		<u>197,367</u>
Increase in net pension obligation		265,535
Net pension obligation, beginning of year		<u>1,209,740</u>
Net Pension Obligation, End of Year	\$	<u><u>1,475,275</u></u>

\*\* Contribution was made on July 16, 2012.

The annual required contribution for the current year was determined as part of the January 1, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) an 8% investment rate of return and (b) 4% 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 five-year period. The remaining amortization period for benefit improvements as of January 1, 2010 is 30 years, open method, on a level-dollar basis.

**Three-Year Trend Information**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Actual Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2009	\$ 329,688	\$ -	0.0%	\$ 211,797
6/30/2010	459,291	-	0.0%	1,209,740
6/30/2011	462,902	197,367	42.6%	1,475,275

Pension obligations are liquidated by monies from the General Fund.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**Funded Status and Funding Progress**

The funded status of the plan as of January 1, 2010, the most recent actuarial valuation date, is as follows:

<u>Plan Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage Of Covered Payroll</u>
1/1/2005	\$ 6,358,434	\$ 7,283,534	\$ 925,100	87.3%	\$ 2,721,690	34.0%
1/1/2006	6,699,942	7,967,164	1,267,222	84.1%	2,712,066	46.7%
1/1/2007	7,049,614	8,362,280	1,312,666	84.3%	2,554,129	51.4%
1/1/2008	7,564,943	8,931,372	1,366,429	84.7%	2,623,653	52.1%
1/1/2009	7,013,154	9,077,763	2,064,609	77.3%	2,650,649	77.9%
1/1/2010	7,145,859	9,582,672	2,436,813	74.6%	2,599,696	93.7%

**Schedule of Employer Contributions**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2006	\$ 310,650	78%
6/30/2007	352,407	71%
6/30/2008	332,328	76%
6/30/2009	330,629	0%
6/30/2010	460,970	0%
6/30/2011	465,608	54%

**B. Teachers**

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. Full-time certified teachers are vested in the system after ten years of service in this state.

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 10 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 10-183b (7).

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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The State's contribution to the plan on behalf of the Town for the fiscal year ended June 30, 2011 was \$936,689 and is recognized in the governmental funds GAAP-basis statement of revenues, expenditures and changes in fund balances. This amount is significantly lower than in the prior year due to the State of Connecticut issuing pension obligation bonds in the prior year to assist in funding the plan. For the year ended June 30, 2011, teachers of the Town contributed \$427,212 to the plan.

Effective July 1, 1989, 1% of the mandatory 7% contribution is placed into a fund from which retirees' health insurance premiums will be paid. This 1% contribution is no longer credited to the member's individual account and does not vest.

#### **C. Municipal Employees' Retirement System**

##### **Plan Description**

All Town 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 retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. 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 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.

##### **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.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2009	\$ 119,875	100%
6/30/2010	218,362	100%
6/30/2011	198,235	100%

**6. OTHER POSTEMPLOYMENT BENEFITS**

**Annual OPEB Cost and Net OPEB Obligations**

The Town of Winchester, Connecticut's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation:

Annual required contribution (ARC)	\$ 721,405
Interest on net OPEB obligation	32,299
Adjustment to annual required contribution	<u>(42,171)</u>
Annual OPEB cost	711,533
Contributions made	<u>459,000</u>
Increase in net OPEB obligation	252,533
Net OPEB obligation, beginning of year	<u>717,758</u>
Net OPEB Obligation, End of Year	<u><u>\$ 970,291</u></u>

OPEB obligations are liquidated by monies from the General Fund.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is presented below.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 703,367	\$ 303,812	43.2%	\$ 399,555
6/30/2010	706,692	388,489	55.0%	717,758
6/30/2011	711,533	459,000	64.5%	970,291

## TOWN OF WINCHESTER, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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As of July 1, 2008, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$8 million, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11 million, which was 75.7% of UAAL.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual healthcare cost trend rate is 10% initially, reduced by decrements of 1% per year to an ultimate rate of 5% for 2013 and later. There is no inflation assumption. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2011 was 28 years.

## **7. OTHER INFORMATION**

### **A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties, except for worker's compensation, which is handled through an interlocal risk pool. Settled claims for these risks did not exceed commercial insurance coverage during the years ended June 30, 2010 and 2011.

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

A schedule of changes in the claims liability for heart and hypertension judgments for the years ended June 30, 2011 and 2010, is presented below:

	<u>Accrued Liability Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Accrued Liability Claim Payments</u>	<u>Accrued Liability End of Fiscal Year</u>
2009-10	\$ 995,082	\$ 1,031,712	\$ 255,122	\$ 1,771,672
2010-11	1,771,672	219,961	165,831	1,825,802

**Interlocal Risk Pool**

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. CIRMA currently has 208 members in the Workers' Compensation Pool. The deposit contribution (premium) paid in 2010-11 by the Town was \$364,769. The contribution (premium) is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains up to \$1,000,000 per occurrence. Claims over \$1,000,000 are reinsured.

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

**B. Contingent Liabilities**

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

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

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

**TOWN OF WINCHESTER, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**8. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS**

**Governmental Accounting Standards Board Statement No. 54**

During the year, the Town implemented GASB Statement No. 54. This required the Town to review its special revenue funds and determine if they have a revenue source that is restricted or committed for a specific purpose. This revenue source also needs to constitute a substantial portion of the resources in the fund. As a result, the Dog Fund is now reported as part of the General Fund.

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Balance at June 30, 2010	\$ 761,699	\$ 744,313
Reclassified to General Fund	<u>(48,805)</u>	<u>48,805</u>
Restated Fund Balance at July 1, 2010	<u>\$ 712,894</u>	<u>\$ 793,118</u>

**Governmental Activities**

Pension obligation included a contribution that was not made by the Town. The effect of the restatement was a decrease in net assets and an increase in pension obligation in the amount of \$251,105.

**9. LOSS ON ASSETS**

The loss on assets of \$484,079 in the General Fund, \$26,746 in the Waterworks Fund and \$26,246 in the Sewer Fund has resulted in a legal investigation, which is ongoing and which has led management to believe the loss has resulted from misappropriation and that misappropriation of assets is not limited to the current fiscal year. Management has notified appropriate legal authorities who are also investigating. Further, management has notified its insurers of the loss and will seek to recover missing funds through all applicable policies.

REQUIRED SUPPLEMENTARY INFORMATION

## TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Property taxes, interest and lien fees	\$ 20,962,194	\$ 20,962,194	\$ 20,736,727	\$ (225,467)
Intergovernmental revenues:				
State of Connecticut - General Government	2,091,903	2,091,903	1,221,644	(870,259)
State of Connecticut - Board of Education	6,877,352	6,877,352	6,846,950	(30,402)
	<u>8,969,255</u>	<u>8,969,255</u>	<u>8,068,594</u>	<u>(900,661)</u>
Other local revenues:				
Licenses, fees and permits:				
Cemeteries	14,500	14,500	10,338	(4,162)
Town Clerk	150,000	150,000	132,036	(17,964)
Charges for services:				
In lieu of taxes - Housing Authority	43,138	43,138	30,341	(12,797)
Building Department	183,500	183,500	94,547	(88,953)
Planning and Zoning	5,000	5,000	7,875	2,875
Inland Wetlands Commission	7,000	7,000	8,880	1,880
Zoning Board of Appeals	4,500	4,500	4,425	(75)
Police Department	27,000	27,000	25,974	(1,026)
Fire and ambulance	30,550	30,550	1,726	(28,824)
Sale of land and equipment	10,450	10,450		(10,450)
Park and Recreation Department	21,000	21,000	10,688	(10,312)
Probate Court	550	550		(550)
Interest and dividends	100,000	100,000	40,542	(59,458)
Other	14,302	14,302	155,881	141,579
	<u>611,490</u>	<u>611,490</u>	<u>523,253</u>	<u>(88,237)</u>
Total revenues	30,542,939	30,542,939	29,328,574	(1,214,365)
Other Financing Sources:				
Transfers in	4,000	4,000	-	(4,000)
Total	\$ <u>30,546,939</u>	\$ <u>30,546,939</u>	29,328,574	\$ <u>(1,218,365)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted.

936,689

Revenues collected not allocated.

417,539

The Board of Education does not budget for certain intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.

1,014,626

Nonbudgeted revenues of combined fund for GASB 54 purposes.

15,998

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Exhibit IV

\$ 31,713,426

## TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Board of Selectmen	\$ 45,729	\$ 45,729	\$ 43,702	\$ 2,027
Town Clerk	181,551	181,551	179,357	2,194
Treasurer	5,716	5,716	5,716	-
Accounting Department	171,121	171,121	176,999	(5,878)
Election Expenditures	50,992	50,992	48,796	2,196
Insurance	387,338	387,338	450,853	(63,515)
Town Counsel	73,656	73,656	80,466	(6,810)
Town Manager	168,982	168,982	165,349	3,633
Building Department	197,833	197,833	193,901	3,932
Assessor	139,754	139,754	141,994	(2,240)
Board of Tax Review	3,198	3,198	2,833	365
Tax Collector	81,996	81,996	80,470	1,526
Planning and Zoning	14,456	14,456	11,673	2,783
Building	171,137	182,386	182,641	(255)
Inland Wetland Commission	9,227	7,227	4,585	2,642
Zoning Board of Appeals	6,564	6,564	4,965	1,599
Laurel City Commission	4,414	4,414	4,399	15
Advisory Comm for the Disabled	942	942		942
Litchfield Conservation District	1,768	1,768	1,768	-
Purchasing/Data Processing	147,062	147,062	147,578	(516)
Probate Court	6,337	6,337	5,059	1,278
Senior Citizens	165,565	165,565	154,348	11,217
Rural Transit District	1,965	1,965	1,965	-
Vacation and sick pay accrual	15,000	15,000	59,770	(44,770)
Highland Lake	12,751	14,751	2,900	11,851
Economic Development Commission	3,692	3,692	562	3,130
School crossing guards	180	180		180
Judgments and losses	981	981		981
Conservation Commission	294	294		294
Unemployment compensation	5,000	5,000	47,856	(42,856)
Cemeteries	44,270	44,270	40,902	3,368
Soldiers Monument Commission	5,071	5,071	3,996	1,075
Planning and Community Development	125,652	125,652	122,642	3,010
Redevelopment Agency	1,396	1,396		1,396
Civil Service Commission	9,488	9,488	7,765	1,723
Friends of Main Street	7,571	7,571	7,571	-
	<u>2,268,649</u>	<u>2,279,898</u>	<u>2,383,381</u>	<u>(103,483)</u>

(Continued on next page)

## TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Library	\$ 194,141	\$ 194,141	\$ 194,141	\$ -
Miscellaneous	522,871	522,871	583,544	(60,673)
Waste disposal and recycling	411,645	399,545	335,869	63,676
Public safety:				
Police Department	2,798,219	2,810,319	2,791,373	18,946
Fire Department	371,112	371,112	358,384	12,728
Civil Preparedness	8,773	8,773	8,116	657
Winchester Fire Department	38,435	38,435	38,234	201
Ambulance	72,790	72,790	23,875	48,915
	<u>3,289,329</u>	<u>3,301,429</u>	<u>3,219,982</u>	<u>81,447</u>
Public works:				
Public Works Department	1,767,981	1,756,732	1,711,375	45,357
Street lighting	124,397	124,397	142,963	(18,566)
	<u>1,892,378</u>	<u>1,881,129</u>	<u>1,854,338</u>	<u>26,791</u>
Health:				
Department of Health	113,870	113,870	113,625	245
Youth and Family Services	31,664	31,664	31,664	-
Paramedic	158,347	158,347	144,643	13,704
	<u>303,881</u>	<u>303,881</u>	<u>289,932</u>	<u>13,949</u>
Parks and recreation:				
Park and Recreation Department	219,405	219,405	201,807	17,598
Education:				
Board of Education	19,043,536	19,043,536	18,999,763	43,773
Program and project expenses	145,878	145,878	145,878	-

(Continued on next page)

## TOWN OF WINCHESTER, CONNECTICUT

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL - GENERAL FUND - NON-GAAP BUDGETARY BASIS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal retirement	\$ 425,000	\$ 425,000	\$ 425,000	\$ -
Interest	228,276	228,276	234,501	(6,225)
	<u>653,276</u>	<u>653,276</u>	<u>659,501</u>	<u>(6,225)</u>
Capital outlay	1,654,378	1,654,378	904,745	749,633
Total expenditures	<u>30,599,367</u>	<u>30,599,367</u>	<u>29,772,881</u>	<u>826,486</u>
Other Financing Uses:				
Transfers out	(39,892)	(39,892)	(40,000)	(108)
Total	<u>\$ 30,639,259</u>	<u>\$ 30,639,259</u>	29,812,881	<u>\$ 826,378</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.

936,689

The Board of Education does not budget for certain intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes.

1,014,626

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.

(1,483)

Nonbudgeted expenditures for fund combined for GASB 54 purposes.

14,967

Loss on assets.

484,079

Total Expenditures, Other Financing Uses and Loss on Assets as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 32,261,759

SUPPLEMENTAL, COMBINING AND INDIVIDUAL FUND STATEMENTS AND  
SCHEDULES

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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 Fund - To account for revenues and expenditures of various education grants.

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

Homeless Shelter Fund - To account for the activities of the Town's homeless shelter.

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

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

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

Soldiers Monument Fund - To account for the revenues and expenditures relating to general maintenance of the soldiers monument park.

Police Retirees Benefit Fund - To account for the revenues and expenditures relating to the police officers contributions to a retirement fund to pay for medical benefits.

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

EFPTS Fund - To account for the activity for payment made by the Town of Winchester to the Federal and State for employee withholding taxes.

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

Skate Park Fund - To account for the revenue and expenditures for the maintenance of the skate park.

Soldiers Monument Grant Fund - To account for the grants relating to the renovation of the monument structure at the soldiers monument park.

Bullet Proof Vests Fund - To account for the revenue and expenditures for the purchase of bullet proof vests for the police department.

Highland Lake Catch Basin Fund - To account for the revenue and expenditures for the repairs to catch basins at the Highland Lake area.

Sidewalks and Railings Fund - To account for the revenue and expenditures for the repairs to the railings on Main Street that overlook the Mad River.

PEEP Grant Fund - To account for the revenue and expenditures for a grant to assist families with medical care for children.

Day Care Center Playground Fund - To account for the revenue and expenditures for construction of a new playground at the Batcheller School.

Village Green Improvements Fund - To account for the revenue and expenditures for improvements and repairs made to the East End Park.

JAG Grant Fund - To account for revenues and expenditures of the Federal Justice Assistance grant.

Lake Management Fund - To account for the revenues and expenditures of Highland Lake.

EDC Donation Fund - To account for economic development commission donations and related expenditures.

### Capital Projects Fund

Capital Improvements Fund - To account for various long-term capital projects.

### Permanent 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.

Forest View Cemetery Chapel Trust Fund - This fund is used to account for the revenues and expenditures for the repairs and maintenance of the chapel located on the grounds of the Forest View Cemetery.

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

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

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

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

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.

TOWN OF WINCHESTER, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011

Special Revenue Funds

	<u>Industrial Park #2 Fund</u>	<u>Cafeteria Fund</u>	<u>Federal and State Education Grants Fund</u>	<u>Town Aid Roads Fund</u>	<u>Homeless Shelter Fund</u>	<u>Brownfields Pilot Program</u>	<u>Infrastructure Assets</u>	<u>City Sidewalks Fund</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 70	\$ 36,750	\$	\$	\$ 210	\$ 96	\$ 661	\$ 860
Receivables, net		82,681	181,208					
Due from other funds	340,044		247,738	5,350				
Total Assets	<u>\$ 340,114</u>	<u>\$ 119,431</u>	<u>\$ 428,946</u>	<u>\$ 5,350</u>	<u>\$ 210</u>	<u>\$ 96</u>	<u>\$ 661</u>	<u>\$ 860</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued items	\$	\$	\$	\$	\$	\$	\$	\$
Deferred revenue			430,024					
Due to other governments	153,130							
Due to other funds						20,090		
Total liabilities	<u>153,130</u>	<u>-</u>	<u>430,024</u>	<u>-</u>	<u>-</u>	<u>20,090</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Nonspendable								
Restricted				5,350	210			
Committed	186,984	119,431	(1,078)				661	860
Unassigned			(1,078)			(19,994)		
Total fund balances	<u>186,984</u>	<u>119,431</u>	<u>(1,078)</u>	<u>5,350</u>	<u>210</u>	<u>(19,994)</u>	<u>661</u>	<u>860</u>
Total Liabilities and Fund Balances	<u>\$ 340,114</u>	<u>\$ 119,431</u>	<u>\$ 428,946</u>	<u>\$ 5,350</u>	<u>\$ 210</u>	<u>\$ 96</u>	<u>\$ 661</u>	<u>\$ 860</u>

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2011**

	<b>Special Revenue Funds</b>							
	<b>Elderly Enrichment Part I Fund</b>	<b>Soldiers Monument Fund</b>	<b>Police Retirees Benefit Fund</b>	<b>Cemetery Association Trust Fund</b>	<b>EFPTS Fund</b>	<b>Soldiers Monument Restoration Fund</b>	<b>Skate Park Fund</b>	<b>Soldiers Monument Grant Fund</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 22,316	\$ 1,480	\$ 5,477	\$ 671	\$ 5,233	\$ 93,181	\$ 7	\$
Receivables, net	1,481							
Due from other funds	9,092							
<b>Total Assets</b>	<b>\$ 32,889</b>	<b>\$ 1,480</b>	<b>\$ 5,477</b>	<b>\$ 671</b>	<b>\$ 5,233</b>	<b>\$ 93,181</b>	<b>\$ 7</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable and accrued items	\$ 1,801	\$	\$	\$	\$	\$	\$	\$
Deferred revenue								
Due to other governments								
Due to other funds			34,194					
<b>Total liabilities</b>	<b>1,801</b>	<b>-</b>	<b>34,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>								
Nonspendable								
Restricted	31,088	1,480		671	5,233	93,181	7	
Committed								
Unassigned			(28,717)					
<b>Total fund balances</b>	<b>31,088</b>	<b>1,480</b>	<b>(28,717)</b>	<b>671</b>	<b>5,233</b>	<b>93,181</b>	<b>7</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 32,889</b>	<b>\$ 1,480</b>	<b>\$ 5,477</b>	<b>\$ 671</b>	<b>\$ 5,233</b>	<b>\$ 93,181</b>	<b>\$ 7</b>	<b>\$ -</b>

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2011**

	<b>Special Revenue Funds</b>						
	<b>Bullet Proof Vests Fund</b>	<b>Highland Lake Catch Basin Fund</b>	<b>Sidewalks and Railings Fund</b>	<b>PEEP Grant Fund</b>	<b>Day Care Center Playground Fund</b>	<b>Village Green Improvements Fund</b>	<b>JAG Grant Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 323	\$ 4,736	\$ 1,526	\$ 4	\$ 1,291	\$ 2,683	\$ 3,068
Receivables, net Due from other funds							
Total Assets	<u>\$ 323</u>	<u>\$ 4,736</u>	<u>\$ 1,526</u>	<u>\$ 4</u>	<u>\$ 1,291</u>	<u>\$ 2,683</u>	<u>\$ 3,068</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued items	\$	\$	\$	\$	\$	\$ 400	\$
Deferred revenue							
Due to other governments			1,526		1,291	2,283	
Due to other funds		3,866					
Total liabilities	<u>-</u>	<u>3,866</u>	<u>1,526</u>	<u>-</u>	<u>1,291</u>	<u>2,683</u>	<u>-</u>
Fund Balances:							
Nonspendable							
Restricted	323			4			3,068
Committed		870					
Unassigned							
Total fund balances	<u>323</u>	<u>870</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>3,068</u>
Total Liabilities and Fund Balances	<u>\$ 323</u>	<u>\$ 4,736</u>	<u>\$ 1,526</u>	<u>\$ 4</u>	<u>\$ 1,291</u>	<u>\$ 2,683</u>	<u>\$ 3,068</u>

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2011**

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Permanent Funds</u>			
	<u>Lake Management Fund</u>	<u>EDC Donation Fund</u>	<u>Capital Improvements Fund</u>	<u>Winchester School Trust Fund</u>	<u>Winchester Sinking Fund</u>	<u>Forest View Cemetery Fund</u>	<u>Winchester Center Cemetery Fund</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$ 1,186	\$ 897	\$ 38,210	\$ 18	\$ 24,752	\$ 9,598
Receivables, net							
Due from other funds			239,002	33,817	89,158	113,455	28,807
Total Assets	\$ -	\$ 1,186	\$ 239,899	\$ 72,027	\$ 89,176	\$ 138,207	\$ 38,405
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued items	\$	\$	\$ 242,337	\$	\$	\$	\$
Deferred revenue							
Due to other governments							
Due to other funds			132,591				
Total liabilities	-	-	374,928	-	-	-	-
Fund Balances:							
Nonspendable				72,027	89,176	138,207	38,405
Restricted		1,186					
Committed							
Unassigned			(135,029)				
Total fund balances	-	1,186	(135,029)	72,027	89,176	138,207	38,405
Total Liabilities and Fund Balances	\$ -	\$ 1,186	\$ 239,899	\$ 72,027	\$ 89,176	\$ 138,207	\$ 38,405

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING BALANCE SHEET (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2011**

	<b>Permanent Funds</b>						
	<b>Forest View Cemetery Chapel Trust Fund</b>	<b>Crippled Children Trust Fund</b>	<b>Winchester Memorial Park Fund</b>	<b>Jane A Nisbet Fund</b>	<b>Beverly Passbook Fund</b>	<b>Other</b>	<b>Total</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$	\$	\$ 3	\$ 2	\$ 7,492	\$ 34	\$ 262,835
Receivables, net							265,370
Due from other funds	629	445	14,058	7,782		155,997	1,285,374
Total Assets	<u>\$ 629</u>	<u>\$ 445</u>	<u>\$ 14,061</u>	<u>\$ 7,784</u>	<u>\$ 7,492</u>	<u>\$ 156,031</u>	<u>\$ 1,813,579</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued items	\$	\$	\$	\$	\$	\$	\$ 244,538
Deferred revenue							430,024
Due to other governments							158,230
Due to other funds							190,741
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,023,533</u>
Fund Balances:							
Nonspendable			14,061			156,031	507,907
Restricted	629	445		7,784	7,492		158,151
Committed							308,806
Unassigned							(184,818)
Total fund balances	<u>629</u>	<u>445</u>	<u>14,061</u>	<u>7,784</u>	<u>7,492</u>	<u>156,031</u>	<u>790,046</u>
Total Liabilities and Fund Balances	<u>\$ 629</u>	<u>\$ 445</u>	<u>\$ 14,061</u>	<u>\$ 7,784</u>	<u>\$ 7,492</u>	<u>\$ 156,031</u>	<u>\$ 1,813,579</u>

**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Special Revenue Funds</b>							
	<b>Industrial Park #2 Fund</b>	<b>Cafeteria Fund</b>	<b>Federal and State Education Grants Fund</b>	<b>Town Aid Roads Fund</b>	<b>Homeless Shelter Fund</b>	<b>Brownfields Pilot Program</b>	<b>Infrastructure Assets</b>	<b>City Sidewalks Fund</b>
Revenues:								
Intergovernmental revenues	\$	\$ 325,539	\$ 2,054,124	\$	\$	\$ 6,677	\$ 117,491	\$
Interest and dividends								1
Charges for services		171,398						
Other revenue		4,324			210			
Total revenues	<u>-</u>	<u>501,261</u>	<u>2,054,124</u>	<u>-</u>	<u>210</u>	<u>6,677</u>	<u>117,491</u>	<u>1</u>
Expenditures:								
General government						6,677		
Public safety								
Public works							117,491	
Education		486,029	2,054,504					
Capital outlay								
Total expenditures	<u>-</u>	<u>486,029</u>	<u>2,054,504</u>	<u>-</u>	<u>-</u>	<u>6,677</u>	<u>117,491</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>15,232</u>	<u>(380)</u>	<u>-</u>	<u>210</u>	<u>-</u>	<u>-</u>	<u>1</u>
Other Financing Sources:								
Issuance of bond serial note								
Net Change in Fund Balances	-	15,232	(380)	-	210	-	-	1
Fund Balances at Beginning of Year	<u>186,984</u>	<u>104,199</u>	<u>(698)</u>	<u>5,350</u>	<u>-</u>	<u>(19,994)</u>	<u>661</u>	<u>859</u>
Fund Balances at End of Year	<u>\$ 186,984</u>	<u>\$ 119,431</u>	<u>\$ (1,078)</u>	<u>\$ 5,350</u>	<u>\$ 210</u>	<u>\$ (19,994)</u>	<u>\$ 661</u>	<u>\$ 860</u>

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Special Revenue Funds</u>							
	<u>Elderly Enrichment Part I Fund</u>	<u>Soldiers Monument Fund</u>	<u>Police Retirees Benefit Fund</u>	<u>Cemetery Association Trust Fund</u>	<u>EFPTS Fund</u>	<u>Soldiers Monument Restoration Fund</u>	<u>Skate Park Fund</u>	<u>Soldiers Monument Grant Fund</u>
Revenues:								
Intergovernmental revenues	\$ 219,106	\$	\$	\$	\$	\$	\$	\$ 12,461
Interest and dividends		1						
Charges for services								
Other revenue		31	4,880		5,233	2,235		
Total revenues	<u>219,106</u>	<u>32</u>	<u>4,880</u>	<u>-</u>	<u>5,233</u>	<u>2,235</u>	<u>-</u>	<u>12,461</u>
Expenditures:								
General government	219,106		21,959			8,226		12,461
Public safety								
Public works								
Education								
Capital outlay								
Total expenditures	<u>219,106</u>	<u>-</u>	<u>21,959</u>	<u>-</u>	<u>-</u>	<u>8,226</u>	<u>-</u>	<u>12,461</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>32</u>	<u>(17,079)</u>	<u>-</u>	<u>5,233</u>	<u>(5,991)</u>	<u>-</u>	<u>-</u>
Other Financing Sources:								
Issuance of bond serial note								
Net Change in Fund Balances	-	32	(17,079)	-	5,233	(5,991)	-	-
Fund Balances at Beginning of Year	<u>31,088</u>	<u>1,448</u>	<u>(11,638)</u>	<u>671</u>	<u>-</u>	<u>99,172</u>	<u>7</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 31,088</u>	<u>\$ 1,480</u>	<u>\$ (28,717)</u>	<u>\$ 671</u>	<u>\$ 5,233</u>	<u>\$ 93,181</u>	<u>\$ 7</u>	<u>\$ -</u>

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Special Revenue Funds</u>						
	<u>Bullet Proof Vests Fund</u>	<u>Highland Lake Catch Basin Fund</u>	<u>Sidewalks and Railings Fund</u>	<u>PEEP Grant Fund</u>	<u>Day Care Center Playground Fund</u>	<u>Village Green Improvements Fund</u>	<u>JAG Grant Fund</u>
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	4,500	\$
Interest and dividends							
Charges for services							
Other revenue							
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Expenditures:							
General government						4,500	
Public safety	1,580						
Public works							
Education							
Capital outlay							
Total expenditures	<u>1,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,580)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources:							
Issuance of bond serial note							
Net Change in Fund Balances	(1,580)	-	-	-	-	-	-
Fund Balances at Beginning of Year	<u>1,903</u>	<u>870</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>3,068</u>
Fund Balances at End of Year	<u>\$ 323</u>	<u>\$ 870</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,068</u>

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Permanent Funds</u>			
	<u>Lake Management Fund</u>	<u>EDC Donation Fund</u>	<u>Capital Improvements Fund</u>	<u>Winchester School Trust Fund</u>	<u>Winchester Sinking Fund</u>	<u>Forest View Cemetery Fund</u>	<u>Winchester Center Cemetery Fund</u>
Revenues:							
Intergovernmental revenues	\$ 3,744	\$	\$	\$	\$	\$	\$
Interest and dividends				3,616		24	9
Charges for services							
Other revenue		500					
Total revenues	<u>3,744</u>	<u>500</u>	<u>-</u>	<u>3,616</u>	<u>-</u>	<u>24</u>	<u>9</u>
Expenditures:							
General government	3,744	264					
Public safety							
Public works							
Education				1,560			
Capital outlay			416,240				
Total expenditures	<u>3,744</u>	<u>264</u>	<u>416,240</u>	<u>1,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>236</u>	<u>(416,240)</u>	<u>2,056</u>	<u>-</u>	<u>24</u>	<u>9</u>
Other Financing Sources:							
Issuance of bond serial note			415,000				
Net Change in Fund Balances	-	236	(1,240)	2,056	-	24	9
Fund Balances at Beginning of Year	<u>-</u>	<u>950</u>	<u>(133,789)</u>	<u>69,971</u>	<u>89,176</u>	<u>138,183</u>	<u>38,396</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 1,186</u>	<u>\$ (135,029)</u>	<u>\$ 72,027</u>	<u>\$ 89,176</u>	<u>\$ 138,207</u>	<u>\$ 38,405</u>

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**TOWN OF WINCHESTER, CONNECTICUT**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (CONTINUED)**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Permanent Funds</u>						<u>Total</u>
	<u>Forest View Cemetery Chapel Trust Fund</u>	<u>Crippled Children Trust Fund</u>	<u>Winchester Memorial Park Fund</u>	<u>Jane A Nisbet Fund</u>	<u>Beverly Passbook Fund</u>	<u>Other</u>	
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$ 2,743,642
Interest and dividends					165		3,816
Charges for services							171,398
Other revenue							17,413
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165</u>	<u>-</u>	<u>2,936,269</u>
Expenditures:							
General government							276,937
Public safety							1,580
Public works							117,491
Education							2,542,093
Capital outlay							416,240
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,354,341</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165</u>	<u>-</u>	<u>(418,072)</u>
Other Financing Sources:							
Issuance of bond serial note							415,000
Net Change in Fund Balances	-	-	-	-	165	-	(3,072)
Fund Balances at Beginning of Year	<u>629</u>	<u>445</u>	<u>14,061</u>	<u>7,784</u>	<u>7,327</u>	<u>156,031</u>	<u>793,118</u>
Fund Balances at End of Year	<u>\$ 629</u>	<u>\$ 445</u>	<u>\$ 14,061</u>	<u>\$ 7,784</u>	<u>\$ 7,492</u>	<u>\$ 156,031</u>	<u>\$ 790,046</u>

## FIDUCIARY FUNDS

### 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.

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

**TOWN OF WINCHESTER, CONNECTICUT**

EXHIBIT B

**AGENCY FUNDS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Town Deposit:				
Assets:				
Cash and cash equivalents	\$ <u>1</u>	<u>\$</u>	<u>\$</u>	\$ <u>1</u>
Liabilities:				
Fiduciary deposits	\$ <u>1</u>	<u>\$</u>	<u>\$</u>	\$ <u>1</u>
Student Activities:				
Assets:				
Cash and cash equivalents	\$ <u>14,063</u>	\$ <u>57,067</u>	\$ <u>52,995</u>	\$ <u>18,135</u>
Liabilities:				
Fiduciary deposits	\$ <u>14,063</u>	\$ <u>57,067</u>	\$ <u>52,995</u>	\$ <u>18,135</u>
Other:				
Assets:				
Cash and cash equivalents	\$ 20,819	\$ 10,000	\$ 9,992	\$ 20,827
Accounts receivable	10,000		10,000	-
	<u>30,819</u>	<u>10,000</u>	<u>19,992</u>	<u>20,827</u>
Liabilities:				
Fiduciary deposits	\$ <u>30,819</u>	\$ <u>10,000</u>	\$ <u>19,992</u>	\$ <u>20,827</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 34,883	\$ 67,067	\$ 62,987	\$ 38,963
Accounts receivable	10,000		10,000	-
	<u>44,883</u>	<u>67,067</u>	<u>72,987</u>	<u>38,963</u>
Liabilities:				
Fiduciary deposits	\$ <u>44,883</u>	\$ <u>67,067</u>	\$ <u>72,987</u>	\$ <u>38,963</u>

## SUPPLEMENTAL SCHEDULES

## TOWN OF WINCHESTER, CONNECTICUT

## GENERAL FUND

## SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

## FOR THE YEAR ENDED JUNE 30, 2011

Grand List of October 1,	Due Date of Tax	New Levy and Uncollected Balance July 1, 2010	Lawful Corrections		Transfers to Suspense	Adjusted Tax Levies	Collections			Taxes Receivable June 30, 2011
			Additions	Deductions			Taxes	Interest and Liens		
								Total		
1995	7/1 and 1/1	\$ 12,737	\$	\$	\$ 12,737	\$ 155	\$ 451		\$ 606	\$ 12,582
1996	7/1 and 1/1	4,537			4,537	141	383	524	4,396	
1997	7/1 and 1/1	6,086		(210)	5,876	109	256	365	5,767	
1998	7/1 and 1/1	7,024			7,024	295	662	957	6,729	
1999	7/1 and 1/1	6,741		(284)	6,457	427	881	1,308	6,030	
2000	7/1 and 1/1	7,660			7,660	311	698	1,009	7,349	
2001	7/1 and 1/1	8,842		(381)	8,461	850	1,455	2,305	7,611	
2002	7/1 and 1/1	8,723			8,723	1,472	2,466	3,938	7,251	
2003	7/1 and 1/1	9,054			9,054	1,826	2,496	4,322	7,228	
2004	7/1 and 1/1	18,731			18,731	2,058	3,052	5,110	16,673	
2005	7/1 and 1/1	18,678			18,678	3,829	3,724	7,553	14,849	
2006	7/1 and 1/1	41,000		(477)	40,523	18,079	12,473	30,552	22,444	
2007	7/1 and 1/1	70,122		(463)	69,659	53,582	20,765	74,347	16,077	
2008	7/1 and 1/1	389,949	602	(6,436)	(1,916)	382,199	278,753	59,116	337,869	103,446
2009	7/1 and 1/1	20,735,508	14,512	(97,552)	(39,203)	20,613,265	20,198,358	96,120	20,294,478	414,907
Total Grand List		\$ 21,345,392	\$ 15,114	\$ (105,803)	\$ (41,119)	\$ 21,213,584	\$ 20,560,245	\$ 204,998	\$ 20,765,243	\$ 653,339

## TOWN OF WINCHESTER, CONNECTICUT

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

## FOR THE YEAR ENDED JUNE 30, 2011

## Water Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2010	Lawful Corrections	Adjusted Levy and Uncollected Balance	Collections			Water Rents Receivable, June 30, 2011
				Rents	Interest and Liens	Total	
2003	\$ 645	\$	\$ 645	\$	\$	\$ -	\$ 645
2004	2,806		2,806			-	2,806
2005	1,119		1,119	20	36	56	1,099
2006	3,711		3,711	3,342	1,670	5,012	369
2007	17,566	(702)	16,864	13,989	6,341	20,330	2,875
2008	115,292	(795)	114,497	96,054	25,521	121,575	18,443
2009	<u>1,480,833</u>	<u>(15,383)</u>	<u>1,465,450</u>	<u>1,366,372</u>	<u>18,062</u>	<u>1,384,434</u>	<u>99,078</u>
	\$ <u>1,621,972</u>	\$ <u>(16,880)</u>	\$ <u>1,605,092</u>	\$ <u>1,479,777</u>	\$ <u>51,630</u>	\$ <u>1,531,407</u>	\$ <u>125,315</u>

## Sewer Rents:

Levy as of July 1,	New Levy and Uncollected Balance, July 1, 2010	Lawful Corrections	Adjusted Levy and Uncollected Balance	Collections			Sewer Rents Receivable, June 30, 2011
				Rents	Interest and Liens	Total	
1997	\$ 4	\$ (4)	\$	\$	\$	\$ -	\$ -
1998	38		38			-	38
2003	166		166			-	166
2004	870		870			-	870
2005	169		169			-	169
2006	1,195		1,195	1,005	700	1,705	190
2007	9,985	(1,502)	8,483	7,185	3,627	10,812	1,298
2008	74,615	(850)	73,765	63,052	20,263	83,315	10,713
2009	<u>1,006,563</u>	<u>(11,151)</u>	<u>995,412</u>	<u>933,052</u>	<u>12,152</u>	<u>945,204</u>	<u>62,360</u>
	\$ <u>1,093,605</u>	\$ <u>(13,507)</u>	\$ <u>1,080,098</u>	\$ <u>1,004,294</u>	\$ <u>36,742</u>	\$ <u>1,041,036</u>	\$ <u>75,804</u>

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

## STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

## TOWN OF WINCHESTER, CONNECTICUT

## NET ASSETS BY COMPONENT

## SINCE INCEPTION OF GASB 34

(Accrual Basis of Accounting)

	FISCAL YEAR								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities:									
Invested in capital assets, net of related debt	\$ 25,729,473	\$ 25,863,702	\$ 23,506,325	\$ 26,309,934	\$ 37,596,274	\$ 40,755,815	\$ 37,616,669	\$ 37,575,954	\$ 37,937,496
Restricted	415,260	418,871	423,589	429,610	432,864	503,576	504,466	522,003	524,258
Unrestricted	<u>3,139,372</u>	<u>3,599,311</u>	<u>5,142,363</u>	<u>1,135,393</u>	<u>4,630,810</u>	<u>1,328,438</u>	<u>1,349,394</u>	<u>(1,027,616)</u>	<u>(2,596,393)</u>
Total Governmental Activities Net Assets	<u>\$ 29,284,105</u>	<u>\$ 29,881,884</u>	<u>\$ 29,072,277</u>	<u>\$ 27,874,937</u>	<u>\$ 42,659,948</u>	<u>\$ 42,587,829</u>	<u>\$ 39,470,529</u>	<u>\$ 37,070,341</u>	<u>\$ 35,865,361</u>
Business-Type Activities:									
Invested in capital assets, net of related debt	\$ 25,970,626	\$ 25,895,701	\$ 26,117,487	\$ 27,630,867	\$ 31,606,447	\$ 31,481,209	\$ 34,073,572	\$ 33,299,371	\$ 32,869,701
Unrestricted	<u>1,553,796</u>	<u>1,363,735</u>	<u>1,419,937</u>	<u>884,603</u>	<u>882,617</u>	<u>509,720</u>	<u>(207,422)</u>	<u>(869,187)</u>	<u>(1,232,965)</u>
Total Business-Type Activities Net Assets	<u>\$ 27,524,422</u>	<u>\$ 27,259,436</u>	<u>\$ 27,537,424</u>	<u>\$ 28,515,470</u>	<u>\$ 32,489,064</u>	<u>\$ 31,990,929</u>	<u>\$ 33,866,150</u>	<u>\$ 32,430,184</u>	<u>\$ 31,636,736</u>
Primary Government:									
Invested in capital assets, net of related debt	\$ 51,700,099	\$ 51,759,403	\$ 49,623,812	\$ 53,940,801	\$ 69,202,721	\$ 72,237,024	\$ 71,690,241	\$ 70,875,325	\$ 70,807,197
Restricted	415,260	418,871	423,589	429,610	432,864	503,576	504,466	522,003	524,258
Unrestricted	<u>4,693,168</u>	<u>4,963,046</u>	<u>6,562,300</u>	<u>2,019,996</u>	<u>5,513,427</u>	<u>1,838,158</u>	<u>1,141,972</u>	<u>(1,896,803)</u>	<u>(3,829,358)</u>
Total Primary Government Net Assets	<u>\$ 56,808,527</u>	<u>\$ 57,141,320</u>	<u>\$ 56,609,701</u>	<u>\$ 56,390,407</u>	<u>\$ 75,149,012</u>	<u>\$ 74,578,758</u>	<u>\$ 73,336,679</u>	<u>\$ 69,500,525</u>	<u>\$ 67,502,097</u>

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

## TOWN OF WINCHESTER, CONNECTICUT

## CHANGES IN NET ASSETS

SINCE INCEPTION OF GASB 34  
(Accrual Basis of Accounting)

	FISCAL YEAR								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Governmental activities:									
Board of Education	\$ 18,541,355	\$ 18,848,278	\$ 19,134,392	\$ 20,428,332	\$ 21,551,084	\$ 26,648,882	\$ 23,531,203	\$ 23,545,291	\$ 23,668,453
Public safety	3,124,233	3,166,696	3,475,885	4,009,300	3,971,722	3,936,737	4,286,390	4,967,321	4,115,483
Public works	2,779,172	1,788,829	3,021,111	3,138,955	3,370,104	3,086,803	3,432,120	3,275,459	3,175,507
General government	3,721,405	2,466,584	3,044,126	3,550,359	2,571,804	3,143,876	4,343,136	3,342,550	3,358,796
Welfare	58,331	47,109	28,224	26,443					
Health	248,171	187,641	218,918	275,401	284,419	269,570	313,813	287,221	289,932
Parks and recreation	273,268	300,769	270,071	265,436	315,423	280,558	268,004	263,574	244,723
Library	213,597	197,054	205,882	209,543	191,025	196,756	197,941	161,795	194,141
Waste disposal and recycling	596,924	477,669	407,666	482,881	327,548	355,293	363,464	360,824	335,869
Interest on long-term debt	288,536	244,728	227,614	183,875	150,320	254,313	305,566	301,724	283,729
Total governmental activities expenses	29,844,992	27,725,357	30,033,889	32,570,525	32,733,449	38,172,788	37,041,637	36,505,759	35,666,633
Business-type activities:									
Water	2,049,799	1,853,696	1,491,865	1,560,548	1,777,621	2,008,912	1,809,639	1,976,247	1,763,578
Sewer	1,789,526	1,724,658	1,621,403	1,703,944	1,741,196	1,808,430	1,751,541	2,309,850	1,880,397
Total business-type activities expenses	3,839,325	3,578,354	3,113,268	3,264,492	3,518,817	3,817,342	3,561,180	4,286,097	3,643,975
Total Primary Government Expenses	\$ 33,684,317	\$ 31,303,711	\$ 33,147,157	\$ 35,835,017	\$ 36,252,266	\$ 41,990,130	\$ 40,602,817	\$ 40,791,856	\$ 39,310,608
Program Revenues:									
Governmental activities:									
Charges for services:									
Board of Education	\$	\$	\$ 231,521	\$ 473,193	\$ 202,715	\$ 217,359	\$ 224,163	\$ 211,054	\$ 171,398
Public safety				342,192	331,138	272,387	247,535	230,263	158,752
Public works				239,353	146,010	18,895	16,694	16,928	74,551
General government	939,600	391,083	311,660	233,135	234,063	214,367	160,542	90,180	484,494
Parks and recreation			21,000			55,578	7,726	52,606	28,493
Operating grants and contributions	8,507,762	8,407,231	8,563,656	9,507,076	10,203,048	14,018,112	12,036,009	12,122,738	11,374,639
Capital grants and contributions	1,069,819	640,055	733,878	378,290	1,330,607	1,430,470	753,033	778,542	932,659
Total governmental activities program revenues	10,517,181	9,438,369	9,861,715	11,173,239	12,447,581	16,227,168	13,445,702	13,502,311	13,224,986
Business-type activities:									
Water:									
Charges for services	3,329,450	1,771,612	1,865,882	1,591,516	1,561,408	1,564,815	1,542,744	1,497,962	1,513,425
Capital grants and contributions				1,123,379	100,727		94,396		
Sewer:									
Charges for services	1,288,645	1,300,159	1,283,045	1,300,972	1,214,181	1,259,016	1,137,164	1,133,761	1,171,571
Capital grants and contributions						266,251	2,234		2,685
Total business-type activities program revenues	4,618,095	3,071,771	3,148,927	4,015,867	2,876,316	3,090,082	2,776,538	2,631,723	2,687,681
Total Primary Government Program Revenues	\$ 15,135,276	\$ 12,510,140	\$ 13,010,642	\$ 15,189,106	\$ 15,323,897	\$ 19,317,250	\$ 16,222,240	\$ 16,134,034	\$ 15,912,667
Net Revenues (Expenses):									
Governmental activities	\$ (19,327,811)	\$ (18,286,988)	\$ (20,172,174)	\$ (21,397,286)	\$ (20,285,868)	\$ (21,945,620)	\$ (23,595,935)	\$ (23,003,448)	\$ (22,441,647)
Business-type activities	778,770	(506,583)	35,659	751,375	(642,501)	(727,260)	(784,642)	(1,654,374)	(956,294)
Total Primary Government Net Expense	\$ (18,549,041)	\$ (18,793,571)	\$ (20,136,515)	\$ (20,645,911)	\$ (20,928,369)	\$ (22,672,880)	\$ (24,380,577)	\$ (24,657,822)	\$ (23,397,941)
General Revenues and Other:									
Changes in Net Assets:									
Governmental activities:									
Property taxes	\$ 15,847,789	\$ 16,914,799	\$ 17,629,149	\$ 18,954,951	\$ 19,416,214	\$ 20,563,030	\$ 20,168,038	\$ 20,094,437	\$ 20,820,308
Grants and contributions not restricted to specific programs	1,202,028	814,095	1,030,388	773,402	847,448	860,523	1,008,005	656,303	622,394
Unrestricted investment earnings	77,553	65,183	74,540	333,180	396,785	116,768	10,581	18,379	44,360
Miscellaneous	463,967	1,324,515	867,740	364,529	213,563	556,727	348,863	303,654	449,522
Transfers	(212,780)	(233,825)	(233,825)	(226,116)	(218,408)	(223,547)	(215,838)	(218,408)	(215,838)
Total governmental activities	17,378,557	18,884,767	19,367,992	20,199,946	20,655,602	21,873,501	21,319,649	20,854,365	21,720,746
Business-type activities:									
Unrestricted investment earnings	15,212	7,772	8,504	555	13,447	5,578	154		
Transfers	212,780	233,825	233,825	226,116	218,408	223,547	215,838	218,408	215,838
Total business-type activities	227,992	241,597	242,329	226,671	231,855	229,125	215,992	218,408	215,838
Total Primary Government	\$ 17,606,549	\$ 19,126,364	\$ 19,610,321	\$ 20,426,617	\$ 20,887,457	\$ 22,102,626	\$ 21,535,641	\$ 21,072,773	\$ 21,936,584
Loss on Assets:									
Governmental activities	\$	\$	\$	\$	\$	\$	\$	\$	\$ 484,079
Business-type activities									52,992
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 537,071
Change in Net Assets:									
Governmental activities	\$ (1,949,254)	\$ 597,779	\$ (804,182)	\$ (1,197,340)	\$ 369,734	\$ (72,119)	\$ (2,276,286)	\$ (2,149,083)	\$ (1,204,980)
Business-type activities	1,006,762	(264,986)	277,988	978,046	(410,646)	(498,135)	(568,650)	(1,435,966)	(793,448)
Total Primary Government	\$ (942,492)	\$ 332,793	\$ (526,194)	\$ (219,294)	\$ (40,912)	\$ (570,254)	\$ (2,844,936)	\$ (3,585,049)	\$ (1,998,428)

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 during fiscal year June 30, 2003.

TOWN OF WINCHESTER, CONNECTICUT

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund:										
Reserved	\$ 482,665	\$ 299,846	\$ 79,770	\$ 278,101	\$ 86,833	\$ 298,934	\$ 85,163	\$ 125,094	\$ 50,556	\$
Unreserved	1,760,016	506,795	623,576	544,693	1,255,876	1,335,002	1,124,767	865,410	711,143	
Assigned										52,034
Unassigned										112,527
Total General Fund	<u>\$ 2,242,681</u>	<u>\$ 806,641</u>	<u>\$ 703,346</u>	<u>\$ 822,794</u>	<u>\$ 1,342,709</u>	<u>\$ 1,633,936</u>	<u>\$ 1,209,930</u>	<u>\$ 990,504</u>	<u>\$ 761,699</u>	<u>\$ 164,561</u>
All other governmental funds:										
Reserved	\$ 486,543	\$ 415,260	\$ 418,871	\$ 423,589	\$ 429,610	\$ 432,864	\$ 503,576	\$ 692,921	\$ 588,576	\$
Unreserved, reported in:										
Special revenue funds	736,120	715,890	861,087	707,598	420,389	612,716	223,163	128,123	(194,593)	
Capital projects funds					(1,384,871)	(4,161,383)	(6,025,566)	(127,346)	(133,789)	
Permanent funds		55,424	55,424	55,424	56,654	60,017	15,861	16,009	16,185	
Nonspendable										507,907
Restricted										237,487
Committed										308,806
Unassigned										(731,675)
Total All Other Governmental Funds	<u>\$ 1,222,663</u>	<u>\$ 1,186,574</u>	<u>\$ 1,335,382</u>	<u>\$ 1,186,611</u>	<u>\$ (478,218)</u>	<u>\$ (3,055,786)</u>	<u>\$ (5,282,966)</u>	<u>\$ 709,707</u>	<u>\$ 276,379</u>	<u>\$ 322,525</u>

**TOWN OF WINCHESTER, CONNECTICUT**  
**REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Property taxes, interest and lien fees	\$ 16,105,541	\$ 16,113,787	\$ 17,132,182	\$ 17,927,617	\$ 19,108,386	\$ 19,601,927	\$ 20,388,059	\$ 20,403,777	\$ 20,170,995	\$ 20,736,727
Intergovernmental revenues	10,400,837	11,220,411	10,106,349	10,558,291	11,131,132	12,626,070	16,537,291	14,009,909	13,516,197	12,921,397
Other local revenues	2,206,382	1,324,316	1,780,781	1,521,060	1,758,185	1,524,274	1,589,592	1,016,074	1,058,662	1,419,863
Total revenues	<u>28,712,760</u>	<u>28,658,514</u>	<u>29,019,312</u>	<u>30,006,968</u>	<u>31,997,703</u>	<u>33,752,271</u>	<u>38,514,942</u>	<u>35,429,760</u>	<u>34,745,854</u>	<u>35,077,987</u>
Expenditures:										
Current:										
Board of Education	16,499,732	18,425,151	18,575,281	18,843,705	20,176,258	21,488,430	26,571,531	23,302,950	23,406,821	23,493,166
Program and project expenses	1,777,416	328,219	166,940	271,113	383,711	234,527	389,932	780,930	589,488	302,286
Public safety	1,753,297	1,629,396	2,773,315	2,907,800	2,980,556	3,150,570	3,223,021	3,439,359	3,246,833	3,277,314
Public works	2,606,798	2,568,696	1,608,201	1,718,970	1,974,790	1,887,870	2,250,074	2,097,788	2,025,162	1,959,313
Miscellaneous	991,644	406,150	296,146	525,500	566,482	366,864	496,431	660,180	327,692	583,544
General government	1,459,465	2,555,415	2,408,979	2,661,931	2,921,405	2,790,524	3,033,420	3,311,289	2,699,466	2,665,573
Welfare	44,654	51,388	43,030	25,792						
Health	182,310	225,374	176,959	201,516	249,080	280,759	269,570	313,813	287,221	289,932
Parks and recreation	168,163	199,518	194,856	204,951	240,303	244,475	236,411	208,524	224,152	206,805
Library	196,980	193,976	185,836	189,516	189,516	191,025	196,756	197,941	161,795	194,141
Waste disposal and recycling	571,156	542,091	450,476	375,260	436,730	327,548	355,293	363,464	360,824	335,869
Debt service:										
Principal	375,000	414,031	375,000	375,000	375,000	375,000	350,000	330,000	425,000	425,000
Interest	192,843	289,627	245,818	220,390	187,145	153,591	257,365	213,230	308,131	290,134
Capital outlay	1,290,000	2,521,836	1,461,133	1,281,022	3,140,511	4,355,994	3,543,774	620,756	1,168,114	1,320,985
Total expenditures	<u>28,109,458</u>	<u>30,350,868</u>	<u>28,961,970</u>	<u>29,802,466</u>	<u>33,821,487</u>	<u>35,847,177</u>	<u>41,173,578</u>	<u>35,840,224</u>	<u>35,230,699</u>	<u>35,344,062</u>
Excess (Deficiency) of Revenues over Expenditures	<u>603,302</u>	<u>(1,692,354)</u>	<u>57,342</u>	<u>204,502</u>	<u>(1,823,784)</u>	<u>(2,094,906)</u>	<u>(2,658,636)</u>	<u>(410,464)</u>	<u>(484,845)</u>	<u>(266,075)</u>
Other Financing Sources (Uses):										
Issuance of bonds								6,316,000		
Issuance of capital lease	111,000	433,004	221,996		904,986	26,973	230,996	33,337	41,120	415,000
Transfers in	205,922	110,084	97,606	149,746	167,578	336,030	184,390	59,530	161,836	
Transfers out	(350,922)	(322,864)	(331,431)	(383,571)	(393,694)	(554,438)	(407,937)	(275,368)	(380,244)	(215,838)
Total other financing sources (uses)	<u>(34,000)</u>	<u>220,224</u>	<u>(11,829)</u>	<u>(233,825)</u>	<u>678,870</u>	<u>(191,435)</u>	<u>7,449</u>	<u>6,133,499</u>	<u>(177,288)</u>	<u>199,162</u>
Loss on Assets										484,079
Net Change in Fund Balances	569,302	(1,472,130)	45,513	(29,323)	(1,144,914)	(2,286,341)	(2,651,187)	5,723,035	(662,133)	(550,992)
Fund Balance at Beginning of Year	<u>2,896,044</u>	<u>3,465,346</u>	<u>1,993,216</u>	<u>2,038,729</u>	<u>2,009,406</u>	<u>864,492</u>	<u>(1,421,849)</u>	<u>(4,022,824)</u>	<u>1,700,211</u>	<u>1,038,078</u>
Fund Balance at End of Year	<u>\$ 3,465,346</u>	<u>\$ 1,993,216</u>	<u>\$ 2,038,729</u>	<u>\$ 2,009,406</u>	<u>\$ 864,492</u>	<u>\$ (1,421,849)</u>	<u>\$ (4,073,036)</u>	<u>\$ 1,700,211</u>	<u>\$ 1,038,078</u>	<u>\$ 487,086</u>
Debit Service as a Percentage to Noncapital Expenditures	2.10%	2.42%	2.26%	2.05%	1.76%	1.68%	1.63%	1.54%	2.13%	2.12%

TOWN OF WINCHESTER, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(In Thousands)

Fiscal Year	Real Property		Personal Property		Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2002	\$ 280,337	\$ 50,970	\$ 52,791	\$ 70,945	\$ 15,525	\$ 439,518	35.84 %	\$ 627,883	70.0 %
2003	282,652	50,015	54,144	72,039	16,613	442,237	35.58	631,767	70.0
2004	377,110	62,470	56,165	77,371	13,118	559,998	30.12	799,997	70.0
2005	380,056	61,152	54,294	76,011	10,856	560,657	31.20	800,938	70.0
2006	383,948	61,571	58,667	76,673	8,773	572,086	32.98	817,265	70.0
2007	392,177	62,891	59,924	78,316	8,960	584,348	33.34	834,783	70.0
2008	394,682	63,293	60,307	78,816	9,017	588,080	24.67	840,114	70.0
2009	569,351	107,992	60,472	85,917	9,245	814,487	24.67	1,163,553	70.0
2010	570,237	108,160	60,566	86,051	9,259	815,755	24.67	1,165,364	70.0
2011	568,892	107,905	60,423	85,848	9,237	813,831	25.43	1,162,615	70.0

Source: Town Assessor's office

Note: By state law property is assessed at 70% of actual value with periodic revaluation of real property.

The estimated actual amount is the equalized grand list which is estimated by the State of Connecticut, Office of Policy and Management.

TOWN OF WINCHESTER, CONNECTICUT

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

18-

	<u>2011</u>				<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Gross Taxable Assessed Grand List</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Gross Taxable Assessed Grand List</u>
Nineteen Twenty Three St Marks LLC	\$ 9,984,380	1	1.22 %	Howmet Turbine	\$ 9,854,273	1	1.40 %
Connecticut Light and Power Co	8,738,900	2	1.07	Connecticut Light and Power Co	5,361,740	2	1.09
Howmet Casting and Services	6,299,230	3	0.77	Ledgrbrook LLC Trustee	4,432,060	3	0.99
Yankee Gas	5,432,290	4	0.67	Wnsted Precision Ball	4,253,302	4	0.59
Litchfield Gardens Apartments	3,226,860	5	0.40	Yankee Gas	3,303,280	5	0.49
BNB Manufacturing	2,673,500	6	0.33	Homer D Bronson Co	2,209,870	6	0.48
MRC Bearings	2,403,920	7	0.29	Litchfield Gardens Apartments	2,197,530	7	0.46
Adam & Deannie Reeder	2,253,780	8	0.28	Electric Motion Company Inc	1,867,660	8	0.40
Barden Corporation	2,148,600	9	0.26	BNB Manufacturing	1,771,880	9	0.30
Gilbert Clock Properties	2,051,000	10	0.25	Arros/SI Inc	1,523,550	10	0.30
	<u>\$ 45,212,460</u>		<u>5.54 %</u>		<u>\$ 36,775,145</u>		<u>6.80 %</u>

Source: Town Assessor's office

\* Formerly Wnsted Precision Ball

**TOWN OF WINCHESTER, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2002	\$ 15,965,395	\$ 15,374,675	96.30%	\$ 496,399	\$ 15,871,074	99.41%
2003	15,977,098	15,353,991	96.10%	517,993	15,871,984	99.34%
2004	17,015,152	16,368,576	96.20%	532,066	16,900,642	99.33%
2005	17,648,739	17,172,223	97.30%	354,350	17,526,573	99.31%
2006	18,941,101	18,498,146	97.66%	365,650	18,863,796	99.59%
2007	19,521,627	19,016,468	97.41%	425,120	19,441,588	99.59%
2008	20,275,676	19,734,037	97.33%	376,158	20,110,195	99.18%
2009	20,193,362	19,716,097	97.64%	307,641	20,023,738	99.16%
2010	20,100,013	19,592,274	97.47%	354,648	19,946,922	99.24%
2011	20,613,265	20,198,358	97.99%	-	20,198,358	97.99%

Source: Town Assessor's office and Finance office

**TOWN OF WINCHESTER, CONNECTICUT**  
**RATIO OF NET GENERAL BONDED DEBT TO**  
**ASSESSED VALUE AND NET GENERAL BONDED DEBT PER CAPITA**

**LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt		Other Governmental Activities Debt		Business-Type Activities		Total Primary Government	Percentage of Personal Income (2)	Percentage of Actual Taxable Value of Property (1)	Total Per Capita
	General Obligation Bonds	Notes	Capital Leases	Other	General Obligation Bonds	Notes				
2002	\$ 2,555,000		\$ 390,686		\$ 12,686,130		\$ 15,631,816	0.14 %	4.04 %	\$ 1,403
2003	2,180,000		653,147		11,775,545		14,608,692	0.15	5.48	1,358
2004	1,805,000		672,949		11,085,000		13,562,949	0.17	5.91	1,258
2005	1,430,000		453,620		10,155,000		12,038,620	0.19	6.79	1,106
2006	1,055,000	4,515,000	1,273,302		9,185,000		16,028,302	0.14	5.21	1,476
2007	680,000	6,399,000	935,290		8,235,000		16,249,290	0.14	5.17	1,497
2008	330,000	6,151,000	844,498		7,880,000		15,205,498	0.14	7.65	1,401
2009	6,316,000		703,615		6,916,995		13,936,610	0.12	7.36	1,284
2010	5,891,000		376,359		5,954,573		12,221,932	0.12	9.51	1,126
2011	5,466,000		144,614		5,141,598		10,752,212	0.11	10.81	990

(1) See Table 5 for taxable property value data

(2) See Table 11 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

## TOWN OF WINCHESTER, CONNECTICUT

## SCHEDULE OF DEBT LIMITATION

JUNE 30, 2011

Total Tax Collections, Including Interest and Lien Fees, for Current Fiscal Year	\$ 20,765,243
Reimbursement for Revenue Loss on:	
Tax relief for elderly and disabled	68,210
Private property tax exemptions	132,280
Manufacturers PILOT grant	<u>279,149</u>
Base	<u>\$ 21,244,882</u>

	<u>General Long-Term Debt</u>			
	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Enterprise</u> (3.75 x base)
Debt Limitation:				
Statutory debt limits by function	\$ <u>47,800,985</u>	\$ <u>95,601,969</u>	\$ <u>69,045,867</u>	\$ <u>79,668,308</u>
Indebtedness:				
General obligation bonds and notes	5,881,000			4,625,000
Clean water fund loans				<u>516,599</u>
Total indebtedness	<u>5,881,000</u>	<u>-</u>	<u>-</u>	<u>5,141,599</u>
Debt Limitation in Excess of Debt*	<u>\$ 41,919,985</u>	<u>\$ 95,601,969</u>	<u>\$ 69,045,867</u>	<u>\$ 74,526,709</u>

\*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$148,714,174.

**TOWN OF WINCHESTER, CONNECTICUT**

**LEGAL DEBT MARGIN INFORMATION**

**LAST TEN FISCAL YEARS**

	<b>FISCAL YEAR</b>									
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Debt limit	\$ 113,450,302	\$ 117,121,347	\$ 123,193,056	\$ 130,083,548	\$ 137,419,520	\$ 140,903,455	\$ 147,133,637	\$ 148,287,965	\$ 144,552,366	\$ 148,714,174
Total net debt applicable to limit	<u>15,241,130</u>	<u>13,955,545</u>	<u>12,890,000</u>	<u>11,585,000</u>	<u>14,755,000</u>	<u>17,236,317</u>	<u>16,159,953</u>	<u>13,936,610</u>	<u>11,845,575</u>	<u>11,022,599</u>
Legal Debt Margin	<u>\$ 98,209,172</u>	<u>\$ 103,165,802</u>	<u>\$ 110,303,056</u>	<u>\$ 118,498,548</u>	<u>\$ 122,664,520</u>	<u>\$ 123,667,138</u>	<u>\$ 130,973,684</u>	<u>\$ 134,351,355</u>	<u>\$ 132,706,791</u>	<u>\$ 137,691,575</u>
Total net debt applicable to the limit as a percentage of debt limit	13.43%	11.92%	10.46%	8.91%	10.74%	12.23%	10.98%	9.40%	8.19%	7.41%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2011 debt limit can be found on Table 9 of this report.

**TOWN OF WINCHESTER, CONNECTICUT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Education Level in Years of Schooling</u>	<u>School Enrollment (1)</u>	<u>Unemployment Rate (2)</u>
2002	10,755	\$ 22,589	\$ 2,100	40	12+	1,090	5.8
2003	10,781	22,589	2,095	40	12+	1,128	8.1
2004	10,889	22,589	2,074	40	12+	1,130	6.4
2005	10,857	22,589	2,081	40	12+	1,118	5.9
2006	10,857	22,589	2,081	40	12+	1,080	4.9
2007	10,857	22,589	2,081	40	12+	1,071	4.9
2008	10,857	22,589	2,081	40	12+	991	4.9
2009	10,857	22,589	2,081	40	12+	996	8.9
2010	11,242	25,291	2,289	40	12+	979	8.7
2011	11,242	27,061	2,289	40	12+	948	8.6

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

- (1) Town of Winchester, Board of Education.  
(2) State of Connecticut, Department of Labor.

## TOWN OF WINCHESTER, CONNECTICUT

## PRINCIPAL EMPLOYERS

## CURRENT YEAR AND PRIOR YEAR\*

	2011			2010		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Winchester	\$ 270	1	0.05 %	\$ 270	n/a	0.00 %
Howmet Corporation	185	2	0.03	185	1	0.08
Electric Motion	140	3	0.02	140	2	0.04
NW CT Community College	100	4	0.02	100	10	0.03
Northwest Community Bank	85	5	0.01	85	4	0.03
Homer D Bronson Co	70	6	0.01	70	5	0.02
Foothills Visiting Nurse/Home Care	65	7	0.01	65	7	0.02
ICS	55	8	0.01	55	9	0.02
Sterling Sintered Technologies	55	9	0.01	55	n/a	0.02
SCASCO	40	10	0.01	40	n/a	0.01
SKF/MRC Plain Bearings	31	11	0.01	31	n/a	0.01
	<u>\$ 1,096</u>		<u>0.19 %</u>	<u>\$ 1,096</u>		<u>0.28 %</u>

Source: Town of Winchester Planning Department

\* Data previous to 2005 is not available.

**TOWN OF WINCHESTER, CONNECTICUT**  
**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>General Government</u>										
Management services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	8.0
Finance	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Planning	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
<u>Public Safety</u>										
Officers	20.0	21.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	24.0
Civilians	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<u>Public Works</u>										
	13.0	15.0	17.0	17.0	17.0	17.0	17.0	17.0	18.0	19.0
<u>Parks and Recreation</u>										
	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Water and Sewer Authority</u>										
	7.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<u>Human Services</u>										
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Town Properties</u>										
	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<u>Board of Education</u>										
Certified	67.0	99.0	99.0	99.0	99.0	99.0	101.0	102.0	102.0	104.0
Noncertified	71.0	93.0	93.0	93.0	93.0	93.0	89.0	87.0	91.0	94.0
<b>Total</b>	<b>207.0</b>	<b>266.0</b>	<b>270.0</b>	<b>270.0</b>	<b>270.0</b>	<b>270.0</b>	<b>268.0</b>	<b>267.0</b>	<b>274.0</b>	<b>285.0</b>

Sources: Various Town departments

Notes: A full-time employee is scheduled to work 1,976 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 1,976.

**TOWN OF WINCHESTER, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**

TABLE 14

**LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>General Government</u>										
Workers compensation claims processed	39	46	47	45	48	47	41	24	36	55
General liability claims processed	27	34	32	31	32	40	35	40	29	33
Marriage licenses recorded	100	78	79	80	101	60	58	75	55	67
Birth certificates recorded	104	101	121	120	119	79	100	113	128	130
Death certificates recorded	128	122	110	108	109	145	142	134	129	138
<u>Boards and Agencies</u>										
Registered voters	6,825	6,732	6,718	6,720	6,716	6,826	6,893	6,849	6,584	6,909
Elections and referendums	2	2	3	5	7	4	4	7	4	5
<u>Planning and Development</u>										
Building permits issued	704	732	768	852	848	916	977	900	736	923
Rental certificate of occupancy issued	239	142	140	138	70	163	128	100	127	104
Value of building permits	4,353,375	15,766,459	16,745,859	13,744,459	20,382,953	20,702,306	17,396,002	15,022,193	10,312,219	10,967,432
<u>Public Safety</u>										
Arrests	935	972	975	875	925	595	461	555	n/a	n/a
Parking violations	1,200	1,289	1,400	1,689	1,773	1,602	1,704	1,653	1,687	1,794
Traffic accidents	390	410	425	450	477	424	469	438	460	n/a
Traffic stops	2,289	2,390	2,488	2,548	2,612	2,457	2,419	2,115	n/a	n/a
Police calls	12,790	12,978	12,365	11,956	12,186	11,533	10,192	9,612	n/a	n/a
Animal control calls	550	499	504	480	545	275	313	222	285	n/a
Fire dispatched	648	298	300	290	300	283	271	249	199	n/a
Ambulance requests	1,569	1,532	1,468	1,466	1,375	559	940	1,052	1,007	n/a
<u>Public Works</u>										
Miles of roads maintained	81	81	81	81	81	81	81	81	81	81
<u>Parks and Recreation</u>										
Community event participants	1,250	3,278	3,670	3,670	3,800	3,750	3,380	1,350	1,400	1,453
Recreation program participants	1,595	2,198	2,100	2,100	2,000	2,100	2,263	2,143	750	700
Annual participants	2,845	5,476	5,770	5,770	5,800	5,850	5,643	3,493	2,150	2,153
<u>Public Libraries</u>										
Volumes in collection	59,745	77,466	77,466	77,466	77,840	77,612	86,766	77,818	80,336	77,274
Collection size	53,979	61,045	61,045	61,045	60,044	59,804	59,078	57,389	56,207	53,580
<u>Senior Citizens</u>										
Meals on wheels provided - annually	37,600	36,750	36,000	36,000	36,000	36,000	35,875	35,700	35,690	35,000
Meals at Senior Center provided - annually	7,000	9,800	10,000	10,000	10,000	10,000	9,800	9,825	9,675	9,658
Van rides provided to seniors - annually	6,000	11,000	11,000	11,000	11,000	11,000	10,600	10,500	10,400	10,375
Senior mini-bus trips - number of seniors annually	850	1,000	1,000	1,000	1,000	1,000	990	975	960	950
<u>Education</u>										
Workers compensation claims processed	13	14	13	13	13	14	25	14	13	17
Elementary schools	2	2	2	2	2	2	2	2	2	2
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	2	2	2	2	2	2
<u>Water</u>										
New connections	4	9	10	17	17	10	11	8	9	10
Water main breaks	7	5	6	3	3	5	6	7	8	6
Average daily consumption (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Peak daily consumption (millions of gallons)	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
<u>Sewer</u>										
Average daily sewage treatment (millions of gallons)	3	3	3	3	3	3	3	3	3	3

Source(s): Various Town Departments

n/a - information not available

**TOWN OF WINCHESTER, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	<b>FISCAL YEAR</b>									
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<u>Public Safety</u>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Zone offices	1	1	1	1	1	1	1	1	1	1
Police vehicles	9	11	11	11	11	10	9	8	7	7
Fire vehicles	8	7	7	7	7	7	7	7	7	7
<u>Public Works</u>										
Miles of town roads	81	81	81	81	81	81	81	81	81	81
Traffic signals	13	13	13	13	13	13	13	13	13	13
Public works vehicles and equipment	54	54	54	54	54	52	52	53	50	51
<u>Parks and Recreation</u>										
Acreage	30	30	30	30	30	30	30	30	30	30
Parks and greens	4	4	4	4	4	4	4	4	4	4
Athletic fields	2	2	2	2	2	2	2	2	2	2
Playgrounds	3	3	3	3	3	3	3	3	3	3
<u>Public Libraries</u>										
Libraries	1	1	1	1	1	1	1	1	1	1
<u>Senior Citizens</u>										
Community center	1	1	1	1	1	1	1	1	1	1
Senior mini-buses	2	2	2	2	2	2	2	2	2	2
<u>Education</u>										
Schools	4	4	4	4	4	4	4	4	4	4
<u>Water</u>										
Water mains (miles)	40	40	40	40	40	40	40	40	40	40
Fire hydrants	350	350	350	350	350	346	347	342	343	345
Storage capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<u>Sewer</u>										
Sanitary sewers (miles)	40	40	40	40	40	40	40	40	40	40
Treatment capacity (millions of gallon)	3	3	3	3	3	3	3	3	3	3

Source(s): Various Town Departments