Town of Windsor Locks, Connecticut

AUDIT RESULTS FOR YEAR ENDED JUNE 30, 2024

AUGUST 26, 2026

CBIZ CPAs

Your Engagement Leadership Team

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Beila Sherman – Engagement Quality Reviewer
Michael Errico – Engagement Senior

Agenda

- Audit Results
- Appendix:
  - Draft Financial Statements
  - Draft *Government Auditing Standards* Reports

Audit Results

Matter	Conclusion

Opinions on Financial Statements and Footnotes	▪ **We are in the process** of completing our engagement quality review, necessary for us to provide our opinion stating with reasonable assurance that the financial statements are free from material misstatement whether caused by error or fraud.
	▪ **We will be prepared to issue our auditor's report** that includes our opinions that the financial statements are fairly stated in all material respects in accordance with accounting principles generally accepted in the United States of America ("U.S.GAAP") subject to the following open items:
	  ▪ Final Quality Control Review – in process
	  ▪ Subsequent review inquiries
	  ▪ Receipt of legal letter updates from Town and Board of Education attorney's
	  ▪ Receipt of the signed management representation letter
	▪ **We expect there will be no deviations** in the proposed audit report, meaning the report is considered "clean" or "unmodified."

Audit Results

Matter	Conclusion
Other Matters	▪ No instances of fraud or illegal acts were noted. ▪ No material uncertainties were noted. ▪ No significant changes were required to our planned audit strategy or areas of risk of significant risk of material misstatement discussed in our planning communication, however delays in town readiness for audit did require multiple re-performance of planning and risk assessment procedures.

Required Supplemental Information	▪ With respect to the required supplementary information (including management's discussion and analysis) accompanying the basic financial statements, we have applied certain limited procedures including:
	  ▪ Making inquiries of management about the methods of preparing the information.
	  ▪ Comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements.
	  ▪ We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Audit Results

Matter	Conclusion

Reporting under *Government Auditing Standards*	▪ No instances of noncompliance or other matters identified and reported.
	▪ Material weaknesses in internal controls identified and will be reported from our consideration of controls over financial reporting assessed during the audit.
	  ▪ Delays in year-end closing process and financial reporting
	  ▪ Material error correction relating to reporting of restricted resources within general fund's fund balance

Audit Results

Changes in Accounting Policies	Significant Unusual Transactions	Alternative Accounting Policies
▪ Implementation of GASB Statement No. 100 – revised guidance on accounting changes and error corrections. No significant impact to the financial statements.	▪ No significant or unusual transactions noted.	▪ No alternative accounting policies were discussed with management.

We consider management's communications with those charged with governance to be in line with best practices.

Audit Results

Matter	Conclusion
Auditor Detected Adjustments and Recorded	None which were individually significant
Waived Adjustments not Recorded	None
Financial Statement Disclosures	The disclosures are neutral, consistent, and clear. We consider the following disclosures to be particularly sensitive/informative: • Notes 10,11, and 14 (Pensions, OPEB and error correction)
Other Information in Documents Containing Audited Financial Statements	We are not aware of other documents that contain the audited financial statements that require work on our part. If the Town plans to publish an annual report, or like document, we have informed management of the requirement of us performing a consistency read prior to this information being posted or published.
Conflict of Interest and Related Party Matters	None
Disagreements with Management	None
Management Consultations with Other Accountants	None per management
Auditor Consultations Outside Engagement Team	None
Issues Discussed Prior to Our Retention	None
Significant Difficulties Encountered	None

Questions and Discussion

Draft Financial Statements

INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Windsor Locks, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Windsor Locks, Connecticut (Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As part of our audit of the 2024 financial statements, we also audited the adjustment described in Note 14 that was applied to restate the 2023 financial statements, and accordingly certain continuing balances as of July 1, 2023. In our opinion, the adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the 2023 financial statements of the Entity other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended June 30, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and other schedules for the year ended June 30, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2024 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2024.

The basic financial statements of the Town as of and for the year ended June 30, 2023 (not presented herein) were audited by other auditors. Their report thereon dated March 7, 2023, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The General Fund Balance Sheet for the year ended June 30, 2023, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In their opinion, the General Fund Balance Sheet was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Providence, RI
REPORT DATE

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 33,162,255
Investments	10,458,989
Receivables:	
Property taxes and interest, net	921,560
Intergovernmental	289,617
Usages charges	346,248
Other	3,074,799
Due From Fiduciary Fund	404,655
Other Assets	20,217
Net OPEB Asset	424,898
Total Current Assets	49,103,238
Noncurrent Assets	
Capital assets not being depreciated	21,778,403
Capital assets, net of accumulated depreciation	84,154,446
Total Noncurrent Assets	105,932,849
Total Assets	155,036,087
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	8,335,388
Deferred Outflows Related to OPEB	444,382
Deferred Charge on Refunding	30,544
Total Deferred Outflows of Resources	8,810,314

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2024

	Governmental Activities
Liabilities	
Accounts and Other Payables	4,396,517
Unearned revenue	2,299,619
Noncurrent Liabilities:	
Due Within One Year	3,139,232
Due In More Than One Year	56,792,376
Total Liabilities	66,627,744
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	995,482
Deferred Inflows Related to OPEB	1,508,228
Advance Property Tax Collections	17,270
Total Deferred Inflows of Resources	2,520,980
Net Position	
Net Investment in Capital Assets	69,127,521
Restricted:	
Expendable Trusts:	
Nonspendable	3,000
Expendable	835
Public Works	1,156,254
Public Safety	134,760
Grants	11,935,226
Other Purposes	1,165,726
Unrestricted	11,174,355
Total Net Position	$ 94,697,677

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

		Program Revenues			Changes in Net Position
			Operating	Capital	Primary Government
		Charges for	Grants and	Grants and	Governmental
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities
Governmental Activities:					
General Government	$ 8,046,952	$ 1,805,424	$ 3,344,784	$ --	$ (2,896,744)
Public Safety	11,029,741	1,255,714	27,841	--	(9,746,186)
Public Works	8,237,909	2,638,292	262,922	--	(5,336,695)
Health and Welfare	1,331,361	53,003	45,393	--	(1,232,965)
Recreation	1,337,306	299,743	6,000	--	(1,031,563)
Education	45,655,920	2,024,605	14,637,443	667,721	(28,326,151)
Interest on Long-Term Debt	1,438,562	--	--	--	(1,438,562)
Total Governmental Activities	77,077,751	8,076,781	18,324,383	667,721	(50,008,866)
	General Revenues:				
	Property Taxes				41,999,756
	Grants and Contributions Not Restricted to Specific Programs				7,246,950
	Unrestricted Investment Earnings				2,123,609
	Miscellaneous				348,231
	Total General Revenues				51,718,546
	Change in Net Position				1,709,680
	Net Position - Beginning of Year				92,987,997
	Net Position - End of Year				$ 94,697,677

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2024

	General	Sewer Administration	Capital Projects	Special Grants	Special Education Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 7,451,432	$ 1,234,591	$ 18,179,921	$ 60,028	$ 2,782,744	$ 2,087,648	$ 31,796,364
Investments	9,058,798	1,400,191	--	--	--	--	10,458,989
Receivables, Net	1,226,923	520,703	363,011	9,999	36,747	697,308	2,854,691
Due from other funds	3,496,282	66	750,226	2,605,412	798,668	421,111	8,071,765
Other assets	--	--	--	--	--	20,217	20,217
Total Assets	$ 21,233,435	$ 3,155,551	$ 19,293,158	$ 2,675,439	$ 3,618,159	$ 3,226,284	$ 53,202,026
Liabilities							
Accounts and other payables	$ 913,141	$ 147,510	$ 1,771,840	$ 2,770	$ 234,507	$ 124,694	$ 3,194,462
Due to other funds	4,258,999	580,876	41,580	--	--	631,467	5,512,922
Unearned revenue	--	--	--	2,158,265	79,785	61,569	2,299,619
Total Liabilities	5,172,140	728,386	1,813,420	2,161,035	314,292	817,730	11,007,003
Deferred Inflows of Resources							
Advance Property Tax Collections	17,270	--	--	--	--	--	17,270
Unavailable Revenue - Property Taxes	523,364	--	--	--	--	--	523,364
Unavailable Revenue - Long-Term Receivable	118,254	175,219	355,261	69,599	2,722	313,438	1,034,493
Unavailable Revenue - Special Assessments	--	312,309	--	--	--	--	312,309
Total Deferred Inflows of Resources	658,888	487,528	355,261	69,599	2,722	313,438	1,887,436
Fund Balances							
Nonspendable	--	--	--	--	--	23,217	23,217
Restricted	7,906,208	--	--	444,805	3,301,145	1,999,623	13,651,781
Committed	--	1,939,637	17,124,477	--	--	336,169	19,400,283
Assigned	2,511,000	--	--	--	--	--	2,511,000
Unassigned	4,985,199	--	--	--	--	(263,893)	4,721,306
Total Fund Balances	15,402,407	1,939,637	17,124,477	444,805	3,301,145	2,095,116	40,307,587
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 21,233,435	$ 3,155,551	$ 19,293,158	$ 2,675,439	$ 3,618,159	$ 3,226,284	$ 53,202,026

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

Total Fund Balances for Governmental Funds	$ 40,307,587
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the governmental funds:	
Governmental Capital Assets	175,314,405
Less: Accumulated Depreciation	(69,381,556)
Total Capital Assets, Net	105,932,849
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Property Tax Receivables Greater than 60 Days	523,364
Net OPEB Asset	424,898
Interest and Lien Receivable on Property Taxes	118,254
Assessments Receivable	312,309
Interest and Lien Receivable on Assessments	175,219
Other Unavailable Receivables	741,020
Deferred Outflows Related to Pension	8,335,388
Deferred Outflows Related to OPEB	444,382
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	58,741
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and Notes Payable	(35,130,000)
Bond Premiums	(1,080,102)
Interest Payable on Bonds and Notes	(271,560)
Compensated Absences	(969,713)
Finance Arrangements	(758,108)
Lease Liability	(336,501)
Net Pension Liability	(21,040,184)
Deferred Inflows Related to Pension	(995,482)
Deferred Inflows Related to OPEB	(1,508,228)
Claims Payable	(617,000)
Deferred Charge on Refunding	30,544
Net Position of Governmental Activities	$ 94,697,677

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

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

YEAR ENDED JUNE 30, 2024

	General	Sewer Administration	Capital Projects	Special Grants	Special Education Grants	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property taxes	$ 42,552,671	$ --	$ --	$ --	$ --	$ 317,260	$ 42,869,931
Intergovernmental	18,956,180	--	667,721	3,082,146	3,737,714	1,238,759	27,682,520
Charges for Services	1,801,217	2,638,292	--	--	1,736,226	2,150,060	8,325,795
Contributions	--	--	--	35,368	--	2,715	38,083
Income on Investments	968,185	128,304	994,374	12	--	32,734	2,123,609
Other Revenues	339,080	3,000	--	--	--	6,151	348,231
Total Revenues	64,617,333	2,769,596	1,662,095	3,117,526	5,473,940	3,747,679	81,388,169
Expenditures							
Current:							
General government	3,867,295	--	--	494,057	--	74,607	4,435,959
Public safety	9,614,030	--	--	39,543	--	1,238,739	10,892,312
Public works	4,373,416	1,906,560	--	820	--	43,023	6,323,819
Health and Welfare	1,167,126	--	--	84,218	--	75,939	1,327,283
Recreation	937,671	--	--	32,829	--	301,958	1,272,458
Education	39,178,211	--	--	--	4,696,182	1,283,072	45,157,465
Capital outlays	--	--	8,759,010	2,500,000	--	--	11,259,010
Debt Service	4,225,961	--	--	--	--	--	4,225,961
Total Expenditures	63,363,710	1,906,560	8,759,010	3,151,467	4,696,182	3,017,338	84,894,267
Excess (Deficiency) of Revenues Over Expenditures	1,253,623	863,036	(7,096,915)	(33,941)	777,758	730,341	(3,506,098)
Other Financing Sources (Uses)							
Transfers in	679,606		2,883,878	--	--	--	3,563,484
Transfers out	(2,648,280)	(705,204)	--	--	--	(210,000)	(3,563,484)
Issuance of Notes Payable	--	--	876,594	--	--	--	876,594
Total Other Financing Sources (Uses)	(1,968,674)	(705,204)	3,760,472	--	--	(210,000)	876,594
Net Change in Fund Balances	(715,051)	157,832	(3,336,443)	(33,941)	777,758	520,341	(2,629,504)
Fund Balances - Beginning of Year	16,117,458	1,781,805	20,460,920	478,746	2,523,387	1,574,775	42,937,091
Fund Balances - End of Year	$ 15,402,407	$ 1,939,637	$ 17,124,477	$ 444,805	$ 3,301,145	$ 2,095,116	$ 40,307,587

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - for Governmental Funds	$ (2,629,504)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and report as depreciation/amortization expense:	
Capital Outlay	8,822,097
Depreciation/Amortization Expense	(3,350,515)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of the assets sold.	(2,821,855)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:	
Property Tax Receivable - Accrual Basis Change	(507,477)
Property Tax Interest and Lien Receivable - Accrual Basis Change	(388,273)
Sewer Use Receivable - Accrual Basis Change	21,077
Sewer Use Interest and Lien Receivable - Accrual Basis Change	4,498
Other Unavailable Receivable - Accrual Basis Change	(1,118,522)
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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issues, whereas these amount are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Bond and Note Principal Payments	2,685,000
Lease Payable Payments	102,399
Issuance of Notes Payable	(876,594)
Finance Arrangements Payments	236,404
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 the governmental funds:	
Compensated Absences	115,952
Change in Deferred Inflows Related to Pensions	545,979
Change in Deferred Inflows Related to OPEB	(153,908)
Accrued Interest	298,240
Amortization of Bond Premium	158,785
Amortization of Deferred Charge on Refunding	(26,565)
Contingent Liability	169,421
Heart and Hypertension Claims	(92,000)
Net Pension Liability	(642,900)
Net OPEB Asset	203,948
Change in Deferred Outflows Related to Pensions	1,751,172
Change in Deferred Outflows Related to OPEB	(99,044)
Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.	(698,135)
Change in Net Position of Governmental Activities	$ 1,709,680

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2024

	Governmental Activities
	Internal Service Fund
Assets	
Current:	
Cash and Cash Equivalents	$ 1,365,891
Accounts Receivable	1,777,533
Due from Other Funds	446,300
Total Assets	3,589,724
Liabilities	
Accounts Payable	166,495
Claims Payable	764,000
Due to Other Funds	2,600,488
Total Liabilities	3,530,983
Net Position	
Unrestricted	$ 58,741

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	Governmental Activities Internal Service Fund
Operating Revenues	
Premiums	$ 6,151,476
Operating Expenses	
Claims	6,959,078
Administration	57,253
Total Operating Expenses	7,016,331
Operating Loss	(864,855)
Non-Operating Revenue	
Income on Investments	166,720
Change in Net Position	(698,135)
Net Position - Beginning of Year	756,876
Net Position - End of Year	$ 58,741

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash received for the following:	
Charges for services and insurance premiums	$ 4,590,468
Cash paid for the following:	
Self-insurance claims and administration	(4,973,003)
Net Cash Used by Operating Activities	(382,535)
Cash Flows from Operating Activities	
Income on Investments	166,720
Net Decrease in Cash and Cash Equivalents	(215,815)
Cash and Cash Equivalents - Beginning of Year	1,581,706
Cash and Cash Equivalents - End of Year	$ 1,365,891
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	$ (864,855)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Due from Other Funds	(428,791)
(Increase) Decrease in Accounts Receivable	(1,132,217)
Increase (Decrease) in Claims and Accounts Payable	305,701
Increase (Decrease) in Due to Other Funds	1,737,627
Net Cash Used by Activities	$ (382,535)

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2024

	OPEB Trust Fund	Custodial Fund Montgomery Project
Assets		
Cash and Cash Equivalents	$ --	$ 18,955
Investments	4,883,307	--
Due From Other Funds	2,582	--
Accounts Receivable	27,258	--
Total Assets	4,913,147	18,955
Liabilities		
Unearned Revenue	15,231	--
Due to Other Funds	407,237	--
Total Liabilities	422,468	--
Net Position		
Fiduciary Deposits	--	18,955
Restricted for OPEB Benefits	4,490,679	--
Total Net Position	$ 4,490,679	$ 18,955

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2024

	OPEB Trust Fund	Custodial Fund Montgomery Project
Additions		
Contributions:		
Employer	$ 109,886	$ --
TRB Subsidy	49,546	--
Other Income	--	3,730
Total Contributions	159,432	3,730
Investment Income:		
Net Change in Fair Value of Investments	629,009	--
Total Additions	788,441	3,730
Deductions		
Benefits	442,174	--
Change in Net Position	346,267	3,730
Net Position - Beginning of Year	4,144,412	15,225
Net Position - Ending of Year	$ 4,490,679	$ 18,955

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

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Property Taxes				
Current Taxes	$ 39,554,953	$ 39,554,953	$ 39,051,436	$ (503,517)
Supplemental Taxes	1,350,000	1,350,000	1,559,509	209,509
Prior Year Taxes	820,000	820,000	1,101,288	281,288
Interest and Lien Fees	435,000	435,000	748,568	313,568
Telephone Access Line	36,000	36,000	53,610	17,610
Housing Authority in Lieu of Tax	36,600	36,600	38,260	1,660
Total Property Taxes	42,232,553	42,232,553	42,552,671	320,118
Intergovernmental				
General Government:				
In Lieu of Tax, State Property	252,668	252,668	286,227	33,559
In Lieu of Tax, Airport	3,319,685	3,319,685	3,319,686	1
Totally Disabled Grants	600	600	617	17
Capital Improvement Program	441,000	441,000	117,834	(323,166)
Veterans' Exemptions	6,000	6,000	3,922	(2,078)
Office of Emergency Management	6,200	6,200	12,933	6,733
ARPA Reduced Revenue Replacement	1,000,000	1,000,000	--	(1,000,000)
Off Track Betting/Teletheater	236,000	236,000	250,175	14,175
Mashantucket Pequot/Mohegan Grant	387,713	387,713	387,713	--
Municipal Grant-in-Aid	2,784,595	2,784,595	2,784,595	--
Municipal Revenue Sharing	150,116	150,116	468,729	318,613
Senior Center Transportation Grant	14,368	14,368	29,468	15,100
Youth Services	14,186	14,186	14,103	(83)
Total General Government	8,613,131	8,613,131	7,676,002	(937,129)
Education				
Educational Cost Sharing	4,652,368	5,118,017	5,118,017	--
Total Intergovernmental	13,265,499	13,731,148	12,794,019	(937,129)

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL (CONTINUED)
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Charges for Services				
Conveyance Tax	$ 150,000	$ 150,000	$ 309,816	$ 159,816
Town Clerk's Office	100,000	100,000	78,965	(21,035)
Building Permits	325,000	325,000	937,807	612,807
Blight Fees	15,000	15,000	33,960	18,960
Zoning Board of Appeals	1,000	1,000	746	(254)
Planning and Zoning	5,000	5,000	1,704	(3,296)
Other Licenses and Permits	10,000	10,000	8,625	(1,375)
Trash Haulers Permits	6,000	6,000	2,900	(3,100)
Assessors Office	100	100	520	420
Inland Wetland Fees	1,000	1,000	--	(1,000)
Fire Marshall Application Fees	40,000	40,000	200,127	160,127
Fire Department Private Duty	12,000	12,000	7,500	(4,500)
Tobacco Valley Probate Cost Share	22,215	22,215	22,408	193
Superior Court	7,000	7,000	7,580	580
Parking Tickets	2,000	2,000	2,850	850
Airplane Registration Fees	63,000	63,000	67,700	4,700
Police Accident Reports	2,000	2,000	2,039	39
Senior Citizen Mini-Bus Fee	3,500	3,500	3,570	70
Rent from Schools	1,000	1,000	--	(1,000)
Tower Rental	110,000	110,000	112,400	2,400
Total Charges for Services	875,815	875,815	1,801,217	925,402
Investment Income				
Income on Investments	100,000	100,000	968,185	868,185
Other Revenues				
Miscellaneous Receipts	40,000	40,000	21,389	(18,611)
Recycling Program	5,000	5,000	2,507	(2,493)
PA 21-58 Nip Fees	33,000	33,000	33,281	281
Workers' Compensation	55,000	55,000	13,262	(41,738)
Sale of Asset	--	--	91,250	91,250
Total Other Revenues	133,000	133,000	161,689	28,689
Total Revenues	56,606,867	57,072,516	58,277,781	1,205,265

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL (CONTINUED)
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Other Financing Sources				
Transfers from Other Funds:				
Use of Tax Stabilization Fund	$ 700,000	$ 700,000	$ --	$ (700,000)
Sewer Administration Fund	650,609	650,609	646,997	(3,612)
Highway	150,000	150,000	150,000	--
Police reimbursement	60,000	60,000	60,000	--
Transfers in from Other Funds	--	60,000	--	(60,000)
James Deforest Phelps Fund	3	3	--	(3)
Total Other Financing Sources	1,560,612	1,620,612	856,997	(763,615)
Total	$ 58,167,479	$ 58,693,128	$ 59,134,778	$ 441,650

Budgetary revenues are different than GAAP revenues because:

State of Connecticut Pension on-Behalf Contributions to the Connecticut State Teachers' Retirement System for Town Teachers are not Budgeted.	$ 6,079,432
State of Connecticut OPEB on-Behalf Contributions to the Connecticut State Teachers' Retirement System for Town Teachers are not Budgeted.	82,729
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds Exhibit IV	$ 65,296,939

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
General Government				
Assessor	$ 265,395	$ 258,467	$ 223,396	$ 35,071
Auditing Services	31,300	32,956	32,956	--
Board of Assessment Appeals	1,081	1,081	773	308
Board of Finance	34,146	32,646	19,775	12,871
Board of Selectmen	192,911	195,287	175,154	20,133
Building Official	367,510	404,165	377,354	26,811
Capital Improvement Advisory Commission	316	316	--	316
Conservation Commission	3,069	3,069	2,283	786
Contingency Fund	200,000	111,445	--	111,445
Economic Development Commission	15,072	15,072	6,412	8,660
Finance Department	324,448	342,401	327,213	15,188
General Expense All Buildings	33,500	31,397	34,597	(3,200)
Historical Commission	2,562	3,437	3,247	190
Holiday Observance	3,300	3,300	3,282	18
Human Resource	71,065	72,600	71,575	1,025
Information Technologies	186,443	195,193	177,883	17,310
Inland/Wetlands Agency	5,280	5,308	2,955	2,353
Municipal Associations	21,454	21,454	21,454	--
Planning and Zoning Commission	10,976	13,476	12,763	713
Probate Court	28,850	28,850	26,634	2,216
Registrar of Voters	49,257	55,531	54,152	1,379
Tax Collector	324,035	324,035	248,607	75,428
Town Clerk	164,920	164,920	161,408	3,512
Town Counsel	61,000	132,658	132,658	--
Town Engineer	45,000	53,349	53,349	--
Town Office Building	203,061	205,164	179,159	26,005
Town Treasurer	200	200	200	--
Train Station	1,592	1,592	1,024	568
Zoning Board of Appeals	4,098	6,098	4,025	2,073
Total General Government	2,651,841	2,715,467	2,354,288	361,179
Public Safety				
Ambulance Association	35,000	35,000	35,000	--
Fire Commission	413,997	413,997	377,313	36,684
Fire Marshal	95,794	95,794	77,486	18,308
Marine Services	500	500	--	500
Nine Bay Garage/Safety Complex	2,916	2,916	2,827	89
Office of Emergency Management	29,626	29,626	27,590	2,036
Police	4,096,999	4,372,048	4,421,204	(49,156)
Animal Control	9,171	9,171	8,378	793
Safety Complex	206,378	216,708	210,318	6,390
Spring Street Garage	11,402	11,402	8,721	2,681
Water Main/Street Lighting	858,094	858,094	818,602	39,492
Total Public Safety	5,759,877	6,045,256	5,987,439	57,817

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL (CONTINUED)
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Public Works				
Landfill/Refuse Removal	$ 1,257,616	$ 1,257,616	$ 1,231,068	$ 26,548
Public Works Department	1,762,637	1,762,637	1,683,753	78,884
Public Works Garage	57,006	57,006	50,037	6,969
Snow Removal	121,500	121,500	100,820	20,680
Total Public Works	3,198,759	3,198,759	3,065,678	133,081
Health and Welfare				
Commission on Needs of the Aging	254,750	277,135	267,813	9,322
Outside Services	113,458	113,458	110,958	2,500
Senior Center	113,298	113,298	112,135	1,163
Social Services	112,512	139,840	133,311	6,529
Veterans' Services	1,000	1,000	--	1,000
Youth Service Bureau	103,793	108,615	107,546	1,069
Total Health and Welfare	698,811	753,346	731,763	21,583
Recreation				
Parks and Recreation	305,505	314,422	305,028	9,394
Public Library	496,416	496,416	496,416	--
Total Recreation	801,921	810,838	801,444	9,394
Employee Benefits and Insurance				
Employee Benefits	6,713,021	6,354,314	6,553,155	(198,841)
Insurance and Bonds	500,450	500,450	465,771	34,679
Total Employee Benefits and Insurance	7,213,471	6,854,764	7,018,926	(164,162)
Education	33,025,838	33,025,838	33,016,050	9,788
Debt Service				
Bond Redemption	2,802,918	2,802,918	2,802,918	--
Interest	1,423,043	1,423,043	1,423,043	--
Total Debt Service	4,225,961	4,225,961	4,225,961	--
Total Expenditures	57,576,479	57,630,229	57,201,549	428,680

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF WINDSOR LOCKS, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL (CONTINUED)
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Other Financing Sources				
Transfers to Capital Improvements	$ 2,193,280	$ 2,193,280	$ 2,648,280	$ (455,000)
Transfers to Other Funds	--	6,250	--	6,250
Total Other Financing Uses	2,193,280	2,199,530	2,648,280	(448,750)
Total	$ 59,769,759	$ 59,829,759	$ 59,849,829	$ (20,070)

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut Pension on-Behalf Contributions to the Connecticut State Teachers' Retirement System for Town Teachers are not Budgeted.	$ 6,079,432
State of Connecticut OPEB on-Behalf Contributions to the Connecticut State Teachers' Retirement System for Town Teachers are not Budgeted.	82,729
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds Exhibit IV	$ 66,011,990

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF WINDSOR LOCKS, CONNECTICUT

SEWER OPERATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
(Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance Positive (Negative)
Revenues				
Sewer Use Charges and Interest	$ 2,801,318	$ 2,801,318	2,607,421	$ (193,897)
Fees	20,000	20,000	30,871	10,871
Investment Income	35,000	35,000	128,304	93,304
Miscellaneous	--	--	3,000	3,000
Total Revenues	2,856,318	2,856,318	2,769,596	(86,722)
Expenditures				
Salaries	563,379	563,379	640,694	(77,315)
Fringe Benefits	176,215	176,215	191,668	(15,453)
Overtime	60,000	60,000	66,498	(6,498)
Audit and Legal Fees	18,250	18,250	14,291	3,959
Chemicals/Chlorine	130,000	130,000	122,306	7,694
Contingency	10,000	10,000		10,000
Refunds	(5,000)	(5,000)	472	(5,472)
Electricity	266,400	266,400	187,172	79,228
Equipment Rental/Hauling	7,900	7,900	8,035	(135)
Fuel, Oil, Natural Gas	41,860	41,860	25,140	16,720
Gasoline and Diesel	13,000	13,000	11,296	1,704
Insurance	45,460	45,460	57,493	(12,033)
Lab Equipment	41,600	41,600	41,600	--
Mechanical Maintenance	145,000	145,000	160,316	(15,316)
Outside Services	40,000	40,000	43,556	(3,556)
Engineering	50,000	50,000	46,728	3,272
Safety Training	5,000	5,000		5,000
Sewer Line Maintenance	28,000	28,000	31,128	(3,128)
Sludge Disposal	95,000	95,000	118,661	(23,661)
Supplies	77,256	77,256	65,679	11,577
Telephone	7,500	7,500	5,889	1,611
User Fee Administration	120,000	120,000	50,522	69,478
Vehicle Parts, Repairs	11,500	11,500	9,907	1,593
Water	15,000	15,000	7,509	7,491
Total Expenditures	1,963,320	1,963,320	1,906,560	56,760
Excess of Revenue Over Expenditures	892,998	892,998	863,036	(143,482)
Other Financing Sources (Uses)				
Transfers Out	(705,204)	(705,204)	(705,204)	--
Net Change in Fund Balance	$ 187,794	$ 187,794	$ 157,832	$ (143,482)
Fund Balance - Beginning of Year			1,781,805	
Fund Balance - End of Year			$ 1,939,637	

The notes to the required supplementary information are an integral part of this schedule.

TOWN OF WINDSOR LOCKS, CONNECTICUT

COMPARATIVE BALANCE SHEET
GENERAL FUND

JUNE 30, 2024

	2024	2023
Assets		
Cash and Cash Equivalents	$ 7,451,432	$ 7,328,414
Investments	9,058,798	9,516,819
Property Taxes Receivable, Net of Allowance of $106,638 in 2024 and $140,532 in 2023	620,931	1,179,836
Accounts Receivable	605,992	790,139
Due from Other Funds	3,496,282	3,286,026
Other Assets	--	78,968
Total Assets	$ 21,233,435	$ 22,180,202
Liabilities		
Accounts Payable	$ 913,141	$ 1,237,672
Due to Other Funds	4,258,999	3,231,665
Total Liabilities	5,172,140	4,469,337
Deferred Inflows of Resources		
Advance Property Tax Collections	17,270	12,324
Unavailable Revenue - Property Taxes	523,364	1,030,841
Unavailable Revenue - Long-Term Receivables	118,254	550,242
Total Deferred Inflows of Resources	658,888	1,593,407
Fund Balance		
Nonspendable	--	78,968
Restricted	7,906,208	5,575,876
Assigned	2,511,000	3,007,429
Unassigned	4,985,199	7,455,185
Total Fund Balance	15,402,407	16,117,458
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 21,233,435	$ 22,180,202

Draft *Government Auditing Standards* Reports

TOWN OF WINDSOR LOCKS, CONNECTICUT

SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

II. FINANCIAL STATEMENT FINDINGS

Current Year Findings:

Material Weakness:

2024-001: Financial Reporting: Month-End and Year-End Closing Process and application of accounting standards

Criteria: An effective internal control system over the financial reporting closing process provides reasonable assurance that reliable financial statements are prepared in accordance with the appropriate accounting standards and in compliance with applicable laws and regulations. Monthly and year-end closing procedures should be documented, communicated and monitored by the Finance Department.

GASB Statement No. 54 requires that a government should report restricted fund balances for resources which are provided by external parties and contain purpose or use constraints

Condition: During our fiscal 2024 audit, we noted that monthly and annual reconciliations were not performed on a timely basis. Several adjustments were made after commencement of the audit to prepare the financial statements.

Historically, the Town had presented activity relating to Municipal Grant in Aid funding from the State of Connecticut within the general fund and had not appropriately tracked and presented the unexpended balance of such funding as a component of restricted fund balance.

Cause: The Town has experienced significant personnel turnover in the finance department, including multiple changes in its finance director position.

Effect: Lack of an established and effective internal control system as well as ensuring adequate management review/oversight over the financial reporting closing process increases the risk of potential misstatement of the Town's financial information.

Prior Year Finding: No

Recommendation: We recommend that the Town reviews its current financial reporting closing process and implements additional policies and procedures (including checklists and documented workflows) to document and ensure that ongoing review and management oversight over the month-end and year-end close takes place, including timely review of funding restrictions and related impacts on the presentation of fund balance classifications in its financial reports.

Views of responsible officials and Planned Corrective Action: See management's corrective action plan.

TOWN OF WINDSOR LOCKS, CONNECTICUT

SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Current Year Findings:

Other Matter

2024-002: Reporting
Criteria: The Town's annual filing with the Federal Audit Clearinghouse (FAC) for fiscal year ended June 30, 2024, was due no later than March 31, 2025.

Condition: The required annual filing with FAC was not made by the required deadline of March 31, 2025.

Cause: Lack of timely reconciliation of financial reporting.

Effect: Lack of timely reconciliation of financial reporting resulted in the FAC deadline being missed. Untimely filing hinders the timely administration and assessment of results by grantor officials.

Prior Year Finding: No

Recommendation: We recommend that the Town implements formal internal control policies and procedures to rectify the conditions noted above.

Views of responsible officials and Planned Corrective Action: See management's corrective action plan.