

**TOWN OF NEWTOWN,
CONNECTICUT**



**Annual Comprehensive
Financial Report**

**For The Year Ended
June 30, 2023**

TOWN OF NEWTOWN, CONNECTICUT



Annual Comprehensive Financial Report

**For The Year Ended
June 30, 2023**

Prepared by:

Finance Department

Robert G. Tait, Finance Director

TOWN OF NEWTOWN, CONNECTICUT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

ROBERT G. TAIT, FINANCE DIRECTOR,
3 PRIMROSE ST., MUNICIPAL CENTER
NEWTOWN, CONNECTICUT 06470

TEL. (203) 270-4221 / FAX (203) 270-4205

www.newtown-ct.gov



TOWN OF NEWTOWN

OFFICE OF THE FINANCE DIRECTOR

December 18, 2023

To the Honorable First Selectman, Members of the Board of Selectmen, Members of the Board of Finance, Members of the Legislative Council and Citizens of the Town of Newtown, Connecticut.

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) of the Town of Newtown for the year ended June 30, 2023. The report includes the independent auditor's report as required by Town Charter Chapter 7, Section 7-05 (c) and the Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles (GAAP) and standards set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the calculation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Mahoney Sabol & Company, LLP (MahoneySabol), a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, have audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Newtown, Connecticut, for the fiscal year ended June 30, 2023, are free from 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the Town of Newtown's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, Federal and state mandated Single Audit designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the Town's separately issued Single Audit Reports.

GAAP requires that 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's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town of Newtown

The Town of Newtown was incorporated in 1711 and has a favorable location in Fairfield County in the southwest part of the State of Connecticut about 60 miles northeast of New York City. The Town has a land area of 58 square miles and a population of 27,388 (2023 Connecticut Economic Resource Center).

The Town operates under a Charter adopted in 1961 and most recently revised in 2022. The First Selectman is the Town's chief executive officer and a twelve-member legislative council is the legislative body. A three-member Board of Selectmen generally supervises the administration of the Town. Fiscal matters are administered under a six-member Board of Finance and an appointed Finance Director. The Town provides a full range of services including police and volunteer fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note 1 to the Required Supplementary Information describes the budget process used by the Town.

Factors Affecting Financial Condition

Newtown's presence in Fairfield County, its proximity to an excellent regional transportation network, its fine schools, public buildings and wide range of recreational and housing opportunities have all contributed to its continued growth and excellent financial condition.

The Town's economic base is supported by a diverse offering of services. Medical service providers, retail locations and restaurants, banking, research and development and manufacturing continue to contribute significantly to the tax base and vitality of the Town.

New housing construction decreased from the previous year. In fiscal year 2023, 21 new housing permits were issued compared to 34 issued in fiscal year 2022. In fiscal year 2023, 4 new building commercial permits were issued compared to 7 issued in fiscal year 2022. Commercial permits were issued at a value of \$9,504,000 for fiscal year 2023 compared to a value of \$6,864,000 for fiscal year 2022.

Newtown's unemployment rate of 2.9% is below that of Fairfield County (3.2%) and Connecticut (3.0%). The educational attainment level of its residents at a bachelor's degree is 30% which surpasses that of the State of Connecticut (22%), and at a Master's degree or higher is 23% which surpasses the State (18%).

Property taxes, which account for approximately 90% of the General Fund revenue on a budgetary basis, have provided a reliable revenue source, with collections consistently at or around 99%. Current tax collections were 99.1% of the adjusted tax levy.

The Town's per capita income of \$61,576 and median household income of \$133,991 (per the U.S. Census Bureau - Quick Facts 2017 - 2021) are above the state's averages.

Newtown's General Fund receives over \$7.0 million dollars from the State of Connecticut, which helps offset local taxes. Any cuts in state aid will put increased pressure on local municipal budgets.

Major Initiatives

\$3,050,000 was approved for roads in the current capital improvement plan to help hasten the improvement of local roads.

\$6.060 million in bonds were issued in March 2023 to fund approved projects in the 2022-23 (year one) Capital Improvement Plan. The projects funded by this issue were the Bridge Program (\$400,000); the Sandy Hook Memorial (\$700,000); the Hawley School HVAC & Ventilation (\$1,500,000); the High School HVAC (\$836,000); the High School Rear Turf Field (\$450,000); the Head O'Meadow School Boiler (\$424,000); the Glen Road Clean Up (\$650,000); Fire Apparatus (\$500,000) & the Edmond Town Hall Parking Lot (\$600,000).

Long-Term Financial Planning

Five Year Capital Improvement Plan (CIP)

The Capital Improvement Plan (CIP) is a five-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A capital improvement is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost equals or exceeds \$200,000.

Capital project planning is an ongoing process. Each year the CIP document is updated. The need or idea for capital improvements can originate from the department heads, the First Selectman, the Superintendent of Schools, and boards and commissions. These items are compiled into this document and presented annually to the Board of Finance and Legislative Council. Once approved, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent year's budgets.

Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc. are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduces the need for "crash programs" to finance the construction of Town facilities.
- Focuses attention on community goals, needs and capabilities.
- Achieves optimum use of taxpayer dollars.
- Guides future community growth and development.
- Advance planning ensures that projects are well thought out in advance of construction.
- Provides for the orderly replacement of capital expenditures.
- Encourages a more efficient governmental administration as well as maintains a sound and stable financial program.

The following is the CIP for fiscal years 2023-2024 to 2027-2028 approved by the Legislative Council on January 04, 2023.

TOWN OF NEWTOWN - CAPITAL IMPROVEMENT PLAN 2023-2024 TO 2027-2028

2023 - 2024 (YEAR ONE)		Proposed Funding		
	<u>Dept.</u>	<u>Amount Requested</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	\$ 3,050,000	\$ -	\$ 3,050,000
Bridge Replacement Program	PW	600,000	600,000	-
Multi-Purpose Building Improvements	PW	200,000	200,000	-
Municipal Center - Roof Remediation & Replacement	PW	1,550,000	1,550,000	-
Replacement of Fire Apparatus	FIRE	1,085,000	600,000	485,000
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Library HVAC	LIB	800,000	800,000	-
Hawley - Ventilation and HVAC Renovations (3 of 3)	BOE	4,000,000	4,000,000	-
Head O'Meadow - Replace Condensing Units	BOE	600,000	600,000	-
Middle School HVAC - Design	BOE	450,000	450,000	-
High School HVAC - Replacements - B Wing	BOE	1,200,000	1,200,000	-
Totals		<u>\$ 13,735,000</u>	<u>\$ 10,000,000</u>	<u>\$ 3,735,000</u>
2024 - 2025 (YEAR TWO)		Proposed Funding		
	<u>Dept.</u>	<u>Amount Requested</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	\$ 3,100,000	\$ -	\$ 3,100,000
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Totals		<u>\$ 3,300,000</u>	<u>\$ -</u>	<u>\$ 3,300,000</u>
2025 - 2026 (YEAR THREE)		Proposed Funding		
	<u>Dept.</u>	<u>Amount Requested</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	\$ 3,150,000	\$ -	\$ 3,150,000
Bridge Replacement Program	PW	600,000	600,000	-
Truck Washing Station (design)	PW	50,000	-	50,000
PW Site & Salt Storage Improvements	PW	50,000	-	50,000
Replacement of Fire Apparatus	FIRE	825,000	825,000	-
Building Remediation & Demo/Infrastructure	FHA	2,000,000	2,000,000	-
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Sidewalk Program	ECON DEV	500,000	-	500,000
Edmond Town Hall Building Renovations	ETH	530,000	530,000	-
Library Parking Lot / Sidewalks	LIB	600,000	600,000	-
Treadwell Park Playground Replacement	P&R	500,000	500,000	-
Lake Lillinonah Park Improvements	P&R	500,000	-	500,000
Rail Trail - Batchelder Park	P&R	1,400,000	-	1,400,000
Middle School HVAC - Improvements	BOE	8,000,000	8,000,000	-
Totals		<u>\$ 18,905,000</u>	<u>\$ 13,055,000</u>	<u>\$ 5,850,000</u>

(Continued)

TOWN OF NEWTOWN - CAPITAL IMPROVEMENT PLAN 2023-2024 TO 2027-2028 (Continued)

2026 - 2027 (YEAR FOUR)			Proposed Funding	
	<u>Dept.</u>	<u>Amount Requested</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	\$ 3,200,000	\$ -	\$ 3,200,000
Bridge Replacement Program	PW	600,000	600,000	-
PW Site & Salt Storage Improvements	PW	600,000	600,000	-
Truck Washing Station	PW	550,000	550,000	-
Replacement of Fire Apparatus	FIRE	845,000	845,000	-
Treadwell Artificial Turf & Lighting	P&R	1,050,000	250,000	800,000
Maintenance Yard Improvements	P&R	350,000	350,000	-
Building Remediation & Demo/Infrastructure	FHA	2,000,000	2,000,000	-
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Middle Gate - Window Replacement	BOE	1,100,000	1,100,000	-
Middle Gate - Bathrooms Renovations	BOE	200,000	200,000	-
High School HVAC - Replacement (pool area)	BOE	400,000	400,000	-
High School - Replace F-Wing Chiller	BOE	500,000	500,000	-
High School - Roof Replacement - BUR areas	BOE	450,000	450,000	-
Reed School - Rebuild Chillers, Upgrade Controls	BOE	400,000	400,000	-
Totals		<u>\$ 12,445,000</u>	<u>\$ 8,245,000</u>	<u>\$ 4,200,000</u>
2027 - 2028 (YEAR FIVE)			Proposed Funding	
	<u>Dept.</u>	<u>Amount Requested</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	\$ 3,250,000	\$ -	\$ 3,250,000
Bridge Replacement Program	PW	600,000	600,000	-
Replacement of Fire Apparatus	FIRE	865,000	865,000	-
Fairfield Hills Trail Improvement	P&R	350,000	250,000	100,000
Building Remediation & Demo/Infrastructure	FHA	3,000,000	3,000,000	-
Edmond Town Hall Building Renovations	ETH	425,000	425,000	-
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Hawley School - Roof Replacement - 1997 Wing	BOE	500,000	500,000	-
Middle Gate School - Repave Parking Lot, SW & Curbs	BOE	250,000	250,000	-
Head O'Meadow School - Repave Parking Lot, SW & Curbs	BOE	300,000	300,000	-
Middle School - Repave Parking Lot, SW & Curbs	BOE	575,000	575,000	-
Totals		<u>\$ 10,315,000</u>	<u>\$ 6,765,000</u>	<u>\$ 3,550,000</u>
Grand Totals		<u>\$ 58,700,000</u>	<u>\$ 38,065,000</u>	<u>\$ 20,635,000</u>

Economic and Community Development

The department continues with business support efforts including an annual Restaurant Week, with print and digital advertising to help tout Newtown and its many commercial/retail offerings. New branding is being used to create impressions - helping to keep Newtown top of mind with commercial brokers, business owners and the general public. The process of consolidating multiple departmental websites is completed and the new site: Newtown.org is live now. Along with the new website, social and e-mail marketing and other advertising efforts are being evaluated along with the likely expansion of geographic reach to attract more consumers to local restaurants, shops and events. Increased awareness of town businesses from a tourism and lifestyle perspective will help differentiate Newtown from the many other towns in the state and should improve with renewed involvement in the regional tourism district.

In addition to working to retain current businesses, the Newtown Economic and Community Development Department actively promotes and supports projects that lead to new business development, expansion, and job creation. Infrastructure projects include a completed upgraded sanitary sewer at Fairfield Hills; continuing marketing of available campus buildings for redevelopment; partnering with local business groups on a place making project; and efforts to complete the environmental cleanup of contaminated town-owned properties to help ready those parcels for re-use. Our offices also currently support Newtown's recently seated and state mandated Fair Rent Commission.

Newtown Borough/Central Business District. An application for a new active adult (55+) development is expected. If approved, this development will be the culmination of many years of efforts by the Planning Department and Economic Development Commission and is expected to result in the sale of town owned property that would represent significant investment in the community. Additionally, occupancy rates of retail and leased apartments as well as retail locations remain high throughout most of the town.

Hawleyville Business District (Rt. 6) is located at Exit 9 of I-84 and is home to Newtown's "Medical Mile," a stretch of various businesses and properties primarily offering medical and related services. Maplewood at Newtown, a luxury senior living community, and Toll Brothers' The Woods, a senior active living development, are located in this area. Toll Brothers has increased the number of living units in their development and The Enclave, a new single family development nears completion. The sewer line extension continues making this area attractive to new development inquiries. Covered Bridge Apartment construction has been substantially completed providing a total of 210 apartments. These residential units bring density and housing diversity which are beneficial to the economic vitality of the town. The available 100+ acre parcel directly adjacent to I-84 continues to draw interest.

South Main Street (Rt. 25) continues to attract retail businesses, and at least one multi-family residential apartment facility is in the early stages of development. A parcel which had been vacant for over ten years due to a building collapse, has been redeveloped into a recreational vehicle dealer. This business is a regional destination drawing consumers who are likely to patronize other local businesses. Sand Hill Plaza, a major retail center, has been sold to a new entity that is making improvements to the structure and is marketing the units regionally to attract new businesses. The adjacent Plaza South is also thriving with near complete occupancy of a retail / restaurant mix, a bank branch and childcare center. Work is continuing developing a Newtown link to an ambitious rail-to-trail project, and the former 'Superfund' site - the Batchelder property is also being considered for development as a solar farm with possible added agricultural use.

Sandy Hook Village is a vibrant and walkable commercial district located on the banks of the Pootatuck River. An old building has new life after a total renovation and now houses a clothing boutique and a chocolate shop which is new to the neighborhood. Conversion and improvement of a former storage barn will be completed within the next few months promising an additional restaurant operation. A \$129,000 state grant project is well underway! This will both improve a town owned property which has environmental concerns, and become an anchor to a Heritage Trail, being developed by a local business group that works on the revitalization of the village. Additionally, work to continue cleaning and demolishing an adjacent former industrial site is in process.

Fairfield Hills continues to see infrastructure improvements. The Economic Development Administration grant of \$914,000 for the replacement of the original sanitary sewer system on the campus is completed and a water line upgrade is next on the agenda for completion. A Community Project Funding grant is in process which will pay for 80% of the cost of additional permeable parking area and rain gardens for the campus. Additional interest for campus buildings remains strong. A memorandum of understanding has been signed and recently extended between the town and a developer for the historic adaptive reuse of two buildings totaling nearly 300,000 square feet. These structures are expected to be made into mixed use locations offering housing diversity to the community. Many steps in this complicated process need to take place, but once completed -

the project may be one of the largest investments that the community has ever seen. Additional campus enhancements around the new community center include a bicycle park, a new outdoor patio area, enhancements to the local trail network, and the installation of several temporary pickleball courts to meet extremely high demand. The micro-brewery on campus continues to thrive, as does the independent youth and sports complex on site.

Relevant Financial Policies

The Town's financial policies have been applied consistently with no notable current year effect on the financial statements. There were no developments at the State level that impact the current fiscal year financial statements.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the twenty second consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of this report would not have been possible without the efficient and dedicated services of my assistant finance director, Leslie Muldoon, the entire staff of the Finance Department and Tanja Vadas, the Education Director of Business, and his entire staff. Each member has my sincere appreciation for their contributions made in the preparation of this report. The cooperation and assistance of the accounting firm of MahoneySabol also contributed significantly to its production.

This annual comprehensive financial report reflects a commitment to the citizens of Newtown, the Board of Finance, the Board of Selectmen, the Legislative Council and all concerned readers of this report to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,



Robert G. Tait
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Newtown
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

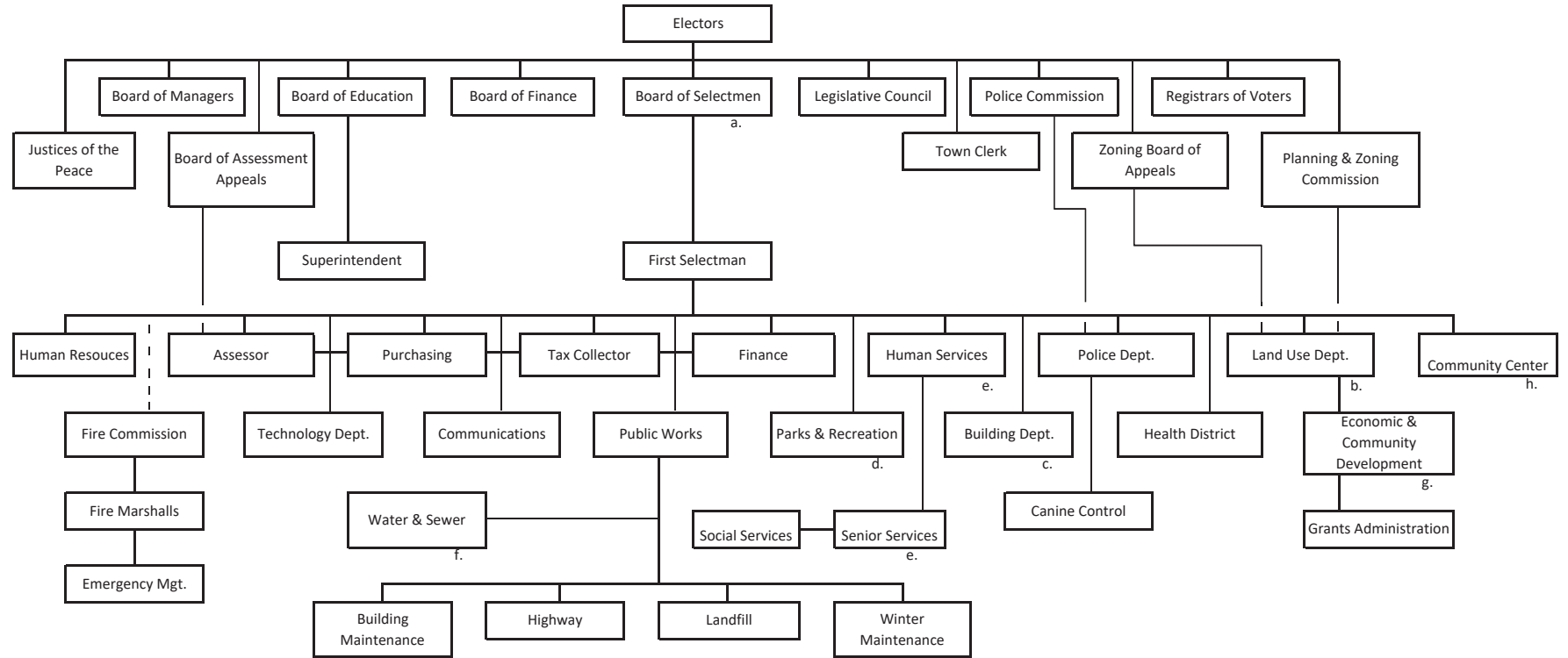
June 30, 2022

Christopher P. Morill

Executive Director/CEO

TOWN OF NEWTOWN, CONNECTICUT

ORGANIZATIONAL CHART



APPOINTED OFFICIALS, BOARDS, COMMISSIONS, AUTHORITIES:

legend

- e. COMMISSION ON AGING
- c. BUILDING APPEALS BOARD
- a. CHARTER COMMUNICATIONS
- b. CONSERVATION COMMISSION
- a. CULTURAL ARTS COMMISSION
- a. DESIGN ADVISORY BOARD
- g. ECONOMIC DEVELOPMENT COMMISSION
- a. EMPLOYEE MEDICAL BENEFITS BOARD
- a. BOARD OF ETHICS
- a. FAIRFIELD HILLS AUTHORITY
- a. HATTERTOWN HISTORIC DISTRICT

legend

- b. INLAND WETLANDS COMMISSION
- a. LAKE LILLINONAH AUTHORITY
- a. LAKE ZOAR AUTHORITY
- a. MUNICIPAL EMPLOYEE SAFETY COMMITTEE
- d. PARKS & RECREATION COMMISSION
- a. PENSION COMMITTEE
- a. PUBLIC BUILDING & SITE COMMISSION
- a. PUBLIC SAFETY COMMITTEE
- a. SUSTAINABLE ENERGY COMMISSION
- f. WATER & SEWER AUTHORITY
- h. COMMUNITY CENTER COMMITTEE

TOWN OF NEWTOWN, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS AS OF JUNE 30, 2023

First Selectman

Daniel C. Rosenthal

Selectmen

Maureen Crick Owen

Ed Schierloh

Board of Finance

John Madzula II - Chairman

Chandravir Ahuja
Sandy Roussas
Erica Sullivan

Steven Goodridge
Laura Miller

Legislative Council

Jeffrey Capeci - Chairman

Angela Curi
Phil Carroll
Chris Gardner
Lisa Kessler
William DeRosa
Daniel T. Honan

Charles Gardner
Matthew Mihalcik
Ryan Knapp
Tom Long
Michelle Embree Ku

Financial Director

Robert G. Tait

Chief of Police - David Kullgren
Director of Public Works - Frederick Hurley
Community & Economic Dev. Deputy Director - Vacant

Tax Collector - Vacant
Tax Assessor - Kathy Brown
Town Clerk - Debbie Aurelia
Halstead

Board of Education

Deborra Zukowski - Chairman

Daniel Cruson, Jr
Janet Kuzma
Jennifer Larkin

Alison Plante
John N. Vouros
Donald Ramsey

Christopher Melillo - Superintendent of Schools
Tanja Vadas - School Business Manager

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Legislative Council
Town of Newtown, Connecticut

Report on the Audit of the Financial Statements

Opinions

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 Newtown, Connecticut, (the Town) as of and for the year ended June 30, 2023, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and the information on pages 73 through 85 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, 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.



Certified Public Accountants
Glastonbury, Connecticut
December 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

The management of the Town of Newtown, Connecticut, (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this Annual Comprehensive Financial Report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$310,786,346 (net position). Of this amount, \$15,346,263 represents the Town's unrestricted net position.
- The Town's total net position increased by \$7,732,490 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$37,239,401, a current year decrease of \$1,931,797 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$15,482,933 or 11.7% of the Town's fiscal year 2024 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.4 months of General Fund operating expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these other elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Overview of the Financial Statements (Continued)

Government-wide Financial Statements *(Continued)*

Both of the government-wide financial statements are intended to distinguish functions of the Town 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 activities such as: general government, public safety, health and welfare, land use, public works, parks and recreation and education. The business-type activities of the Town include wastewater and water activities of the Town's Water Pollution Control Authority.

The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Bonded Projects Fund, and the Local Fiscal Recovery Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 through 24 of this report.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operations of the Town's wastewater operations and water operations at the Fairfield Hills property. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for medical and dental benefits offered to certain employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 72 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and a statistical section that can be found on pages 73 through 125 of this report.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Government-wide Financial Analysis

Net Position

Over time, net position may serve as one measure of a government's financial position. The Town's total net position (governmental and business-type activities combined) totaled \$310,786,346 as of June 30, 2023 and \$303,053,856 as of June 30, 2022 and are summarized as follows:

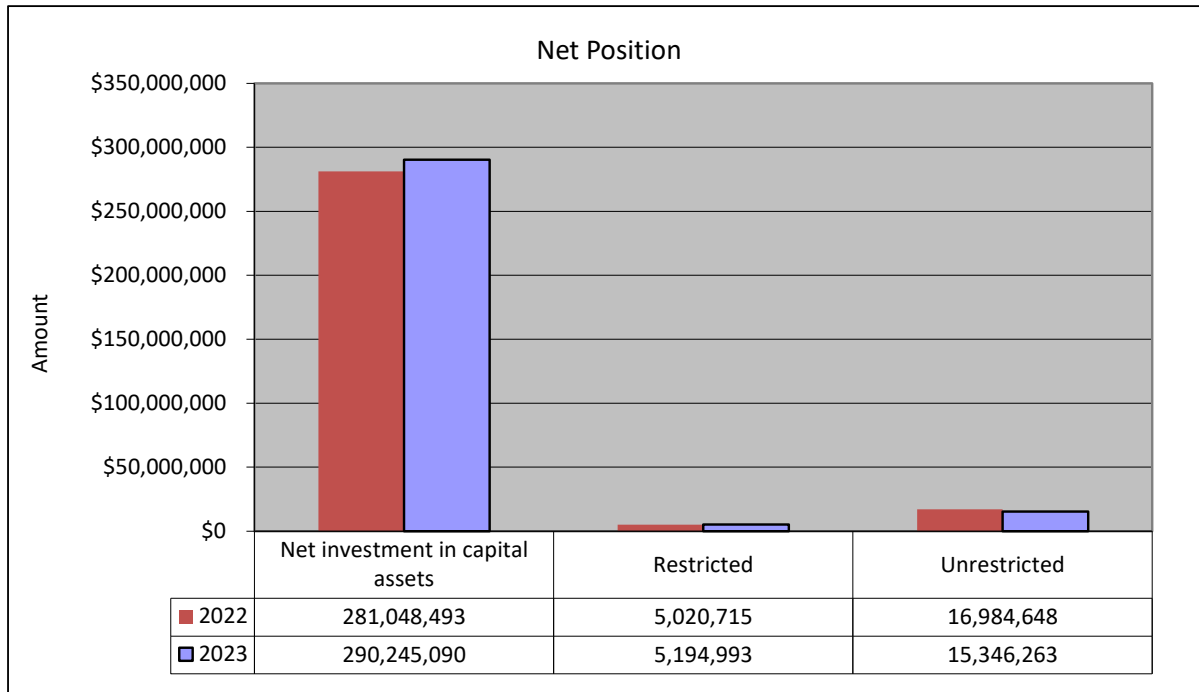
	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-type Activities	Total	Total	\$ Change	% Change
Current and other assets	\$ 56,975,656	\$ 3,118,513	\$ 60,094,169	\$ 67,882,133	\$ (7,787,964)	-11.5%
Capital assets	347,027,930	30,071,604	377,099,534	367,788,028	9,311,506	2.5%
Total assets	404,003,586	33,190,117	437,193,703	435,670,161	1,523,542	0.3%
Deferred outflows of resources	4,054,202	40,121	4,094,323	7,239,896	(3,145,573)	-43.4%
Other liabilities	14,849,847	47,907	14,897,754	18,925,843	(4,028,089)	-21.3%
Long-term liabilities	108,506,099	2,476,000	110,982,099	116,657,685	(5,675,586)	-4.9%
Total liabilities	123,355,946	2,523,907	125,879,853	135,583,528	(9,703,675)	-7.2%
Deferred inflows of resources	4,621,827	-	4,621,827	4,272,673	349,154	8.2%
Net position:						
Net investment in capital assets	262,609,365	27,635,725	290,245,090	281,048,493	9,196,597	3.3%
Restricted	5,194,993	-	5,194,993	5,020,715	174,278	3.5%
Unrestricted	12,275,657	3,070,606	15,346,263	16,984,648	(1,638,385)	-9.6%
Total net position	\$ 280,080,015	\$ 30,706,331	\$ 310,786,346	\$ 303,053,856	\$ 7,732,490	2.6%

	June 30, 2022		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 63,719,974	\$ 4,162,159	\$ 67,882,133
Capital assets	338,057,256	29,730,772	367,788,028
Total assets	401,777,230	33,892,931	435,670,161
Deferred outflows of resources	7,188,608	51,288	7,239,896
Other liabilities	18,264,858	660,985	18,925,843
Long-term liabilities	113,973,038	2,684,647	116,657,685
Total liabilities	132,237,896	3,345,632	135,583,528
Deferred inflows of resources	4,272,673	-	4,272,673
Net position:			
Net investment in capital assets	253,951,080	27,097,413	281,048,493
Restricted	5,020,715	-	5,020,715
Unrestricted	13,483,474	3,501,174	16,984,648
Total net position	\$ 272,455,269	\$ 30,598,587	\$ 303,053,856

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Government-wide Financial Analysis (Continued)

Net Position (Continued)



As of June 30, 2023, 93.4% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

1.7% of the Town's net position is subject to restrictions on how it may be used and are, therefore, presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased during the current year by \$7,732,490 in comparison with the prior year. Significant changes in the Town's financial position consisted of an increase in capital assets and a decrease in long-term liabilities. The increase in capital assets is driven by the capitalization of infrastructure and land improvements related to bridge construction and the completion of various capital projects. The decrease in long-term liabilities is attributed to scheduled debt repayments on the Town's outstanding general obligation bonds and a decrease in the Town's net pension liability, offset by the current year issuance of general obligation bonds to fund various general purpose and school projects authorized by the Town.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Government-wide Financial Analysis (Continued)

Changes in Net Position

Changes in net position for the years ended June 30, 2023 and 2022 are as follows.

	2023			2022		
	Governmental Activities	Business-type Activities	Total	Total	\$ Change	% Change
Revenues						
Program revenues:						
Charges for services	\$ 10,318,253	\$ 1,427,289	\$ 11,745,542	\$ 12,932,994	\$ (1,187,452)	-9.2%
Operating grants and contributions	31,417,367	-	31,417,367	23,574,440	7,842,927	33.3%
Capital grants and contributions	3,433,986	914,981	4,348,967	3,127,249	1,221,718	39.1%
General revenues:						
Property taxes, levied for general purposes	116,431,250	-	116,431,250	113,170,487	3,260,763	2.9%
Grants and contributions not restricted to specific programs	2,983,519	-	2,983,519	1,797,123	1,186,396	66.0%
Investment earnings	2,043,442	18,701	2,062,143	(551,014)	2,613,157	-474.2%
Total revenues	<u>166,627,817</u>	<u>2,360,971</u>	<u>168,988,788</u>	<u>154,051,279</u>	<u>14,937,509</u>	<u>9.7%</u>
Expenses						
General government	7,483,840	-	7,483,840	6,849,488	634,352	9.3%
Public safety	13,023,195	-	13,023,195	12,464,476	558,719	4.5%
Health and welfare	2,480,738	-	2,480,738	2,284,533	196,205	8.6%
Land use	971,345	-	971,345	914,969	56,376	6.2%
Public works	14,000,893	-	14,000,893	12,485,967	1,514,926	12.1%
Parks and recreation	7,540,000	-	7,540,000	6,759,121	780,879	11.6%
Education	95,477,513	-	95,477,513	91,323,797	4,153,716	4.5%
Education - State Teachers' Retirement	15,928,738	-	15,928,738	7,744,560	8,184,178	105.7%
Interest expense	2,096,809	-	2,096,809	2,024,150	72,659	3.6%
Sewer	-	1,845,025	1,845,025	2,004,277	(159,252)	-7.9%
Water	-	408,202	408,202	509,110	(100,908)	-19.8%
Total expenses	<u>159,003,071</u>	<u>2,253,227</u>	<u>161,256,298</u>	<u>145,364,448</u>	<u>15,891,850</u>	<u>10.9%</u>
Change in net position	7,624,746	107,744	7,732,490	<u>\$ 8,686,831</u>	<u>\$ (954,341)</u>	-11.0%
Net position - beginning	<u>272,455,269</u>	<u>30,598,587</u>	<u>303,053,856</u>			
Net position - ending	<u>\$ 280,080,015</u>	<u>\$ 30,706,331</u>	<u>\$ 310,786,346</u>			

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Government-wide Financial Analysis (Continued)

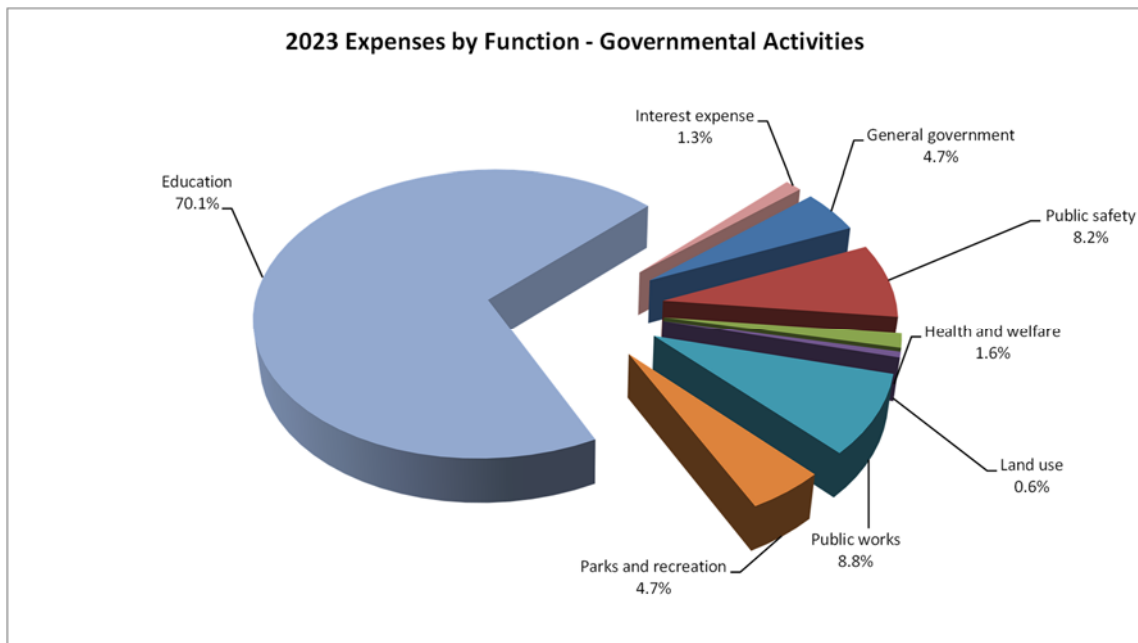
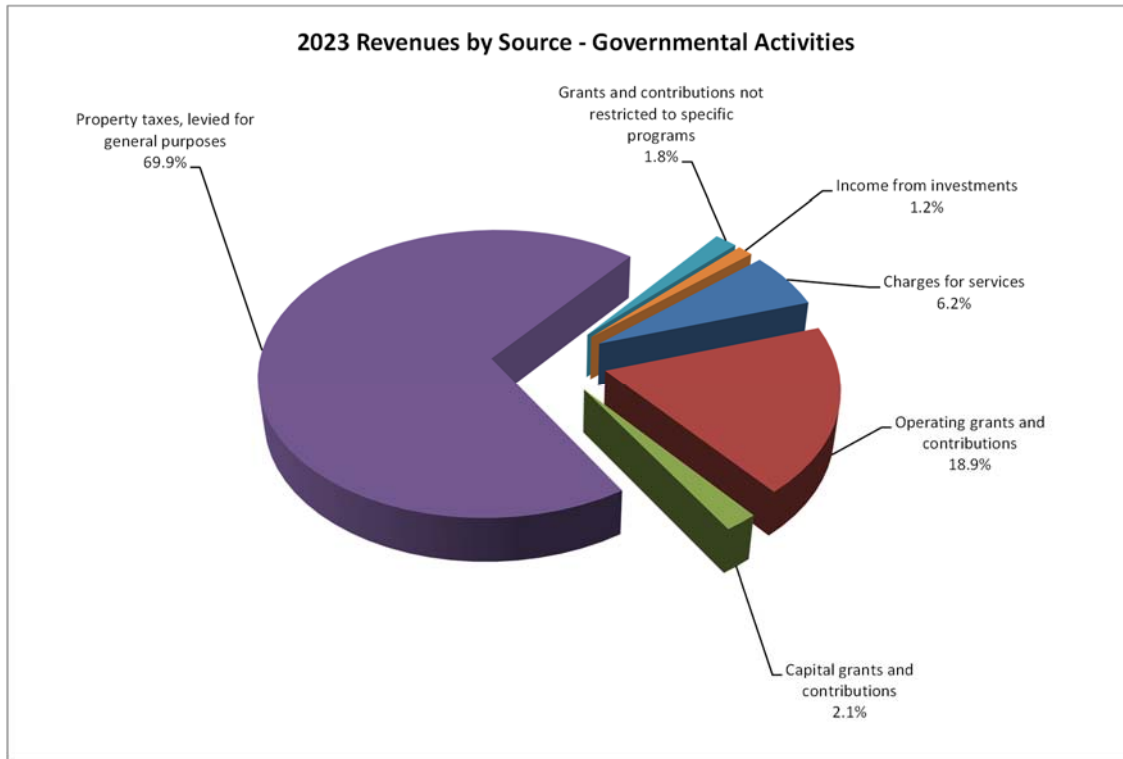
Change in Net Position (Continued)

	2022		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 9,409,249	\$ 3,523,745	\$ 12,932,994
Operating grants and contributions	23,574,440	-	23,574,440
Capital grants and contributions	3,127,249	-	3,127,249
General revenues:			
Property taxes, levied for general purposes	113,170,487	-	113,170,487
Grants and contributions not restricted to specific programs	1,797,123	-	1,797,123
Investment earnings	(572,452)	21,438	(551,014)
Total revenues	<u>150,506,096</u>	<u>3,545,183</u>	<u>154,051,279</u>
Expenses			
General government	6,849,488	-	6,849,488
Public safety	12,464,476	-	12,464,476
Health and welfare	2,284,533	-	2,284,533
Land use	914,969	-	914,969
Public works	12,485,967	-	12,485,967
Parks and recreation	6,759,121	-	6,759,121
Education	91,323,797	-	91,323,797
Education - State Teachers' Retirement	7,744,560	-	7,744,560
Interest expense	2,024,150	-	2,024,150
Sewer	-	2,004,277	2,004,277
Water	-	509,110	509,110
Total expenses	<u>142,851,061</u>	<u>2,513,387</u>	<u>145,364,448</u>
Change in net position	7,655,035	1,031,796	8,686,831
Net position - beginning	<u>264,800,234</u>	<u>29,566,791</u>	<u>294,367,025</u>
Net position - ending	<u>\$ 272,455,269</u>	<u>\$ 30,598,587</u>	<u>\$ 303,053,856</u>

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Government-wide Financial Analysis (Continued)

Change in Net Position *(Continued)*



TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Government-wide Financial Analysis (Continued)

Change in Net Position (*Continued*)

Governmental Activities

Governmental activities increased the Town's net position by a current year change of \$7,624,746. Revenues increased by \$16,121,721 or 10.7% over prior year and expenses increased by \$16,152,010 or 11.3% over prior year expenses.

The increase in revenues was driven by increases in operating grants and contributions of approximately \$7.8 million and in property tax revenues of approximately \$3.2 million. The increase in operating grants and contributions includes an \$8.2 million increase in the amount of pension and OPEB expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System. This non-cash contribution is offset by a corresponding increase in education expenses and does not have an impact on the Town's overall change in net position for the year. The increase in property tax revenues is due to an overall increase in the Town's taxable grand list.

The increase in expenses primarily relates to an increase in education expenses of approximately \$12.3 million. As previously discussed, the increase in education expenses is driven by an \$8.2 million increase in pension and OPEB expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System. In addition, education expenses increased by approximately \$2.4 million related to budgeted contractual and operating cost increases.

Business-type Activities

Business-type activities increased the Town's net position by a current year change of \$107,744. Revenues decreased by \$1,184,212 or 33.4% over the prior year and expenses decreased by \$260,160 or 10.4% over the prior year.

The decrease in revenues is primarily due to nonrecurring water assessments levied in the prior year. Expenses were reflective of a normal operating year.

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$37,239,401. Of this amount, \$29,744,227 is available for spending at the discretion of the Town (i.e. committed, assigned and unassigned fund balance).

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Financial Analysis of the Town's Funds (Continued)

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,482,933. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 11.7% of the Town's fiscal year 2024 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.40 months of General Fund operating expenditures.

The General Fund has an overall fund balance of \$18,264,719 as of June 30, 2023, an increase of \$321,622 from the prior year fund balance. Property tax revenues increased \$2.9 million and intergovernmental revenues increased \$2.6 million over the prior year. These increases were offset by a \$2,300,000 transfer out to the Town's Capital and Nonrecurring Fund to fund future capital-related purchases and projects.

Bonded Projects Fund

The fund balance of the Bonded Projects Fund decreased by \$6,070,167 during the current fiscal year. This decrease was primarily due to the issuance of general obligation bonds in the amount of \$6,060,000, offset by expenditures incurred for authorized capital projects.

Local Fiscal Recovery Fund

The Local Fiscal Recovery Fund was established to account for the receipt of grant funds provided by the American Rescue Plan Act. As of June 30, 2023, \$3,529,533 in the Town's allotment remains unspent. The Town has developed a statutory eligible use plan for the funding and will recognize revenue as allowable expenditures are incurred.

Sewer Fund

The net position of the Sewer Fund decreased by \$86,285 during the current fiscal year. The decrease was primarily attributable to shortfalls in operating revenues to cover depreciation and amortization on capital assets, offset by a capital contribution relating to federal funding for a sewer infrastructure improvement project.

Water Fund

The fund balance of the Water Fund increased by \$21,459 during the current fiscal year.

General Fund Budgetary Highlights

The original budget provided for the use of fund balance in the amount of \$1,300,000, which was offset by a nonrecurring appropriation in transfers out to the Capital Nonrecurring Fund. This transfer was budgeted for in order to comply with the Town's fund balance policy regarding excess unassigned fund balance. During the year, no additional appropriations from fund balance were authorized.

The actual net change in fund balance on a budgetary basis was an increase of \$577,371. Expenditures and other financing uses were \$146,074 less than budgeted, which represented only 0.11% of the overall final budget. Total budgetary revenues and other financing sources were \$1,731,285 more than budgetary estimates. The revenue surplus is attributed to unbudgeted motor vehicle property tax grants in the amount of \$638,251, and higher than budgeted interest earnings on General Fund investments. The unbudgeted motor vehicle grant, also known as the Municipal Transition Grant, reimbursed the Town for foregone tax revenue due to the motor vehicle mill rate cap that was lowered during the fiscal year.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2023 totaled \$347,027,930 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, intangible assets, construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year totaled \$8,970,674 or 2.7%. This increase was primarily comprised of current year capital asset additions, offset by depreciation and amortization on capital assets. Significant capital additions during the current fiscal year included the following:

- outlays pertaining to the emergency radio system upgrade project of approximately \$2.8 million;
- outlays pertaining to the Hawley Elementary School HVAC project of approximately \$6.7 million;
- outlays pertaining to the Newtown High School football field reconstruction of approximately \$750 thousand; and
- outlays pertaining to the acquisition of a new state of the art firefighting vehicle.

The following are tables of the investment in capital assets presented for both governmental and business-type activities:

Capital Assets, Net
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Land	\$ 28,482,596	\$ 1,000	\$ 28,483,596
Intangible assets	3,986,359	187,895	4,174,254
Construction in progress	13,646,705	419,569	14,066,274
Buildings and improvements	201,317,029	-	201,317,029
Land improvements	21,882,844	-	21,882,844
Right-to-use leased equipment	365,431	-	365,431
Machinery, equipment and vehicles	16,436,486	613,986	17,050,472
Infrastructure	60,910,480	28,849,154	89,759,634
Totals	<u>\$ 347,027,930</u>	<u>\$ 30,071,604</u>	<u>\$ 377,099,534</u>

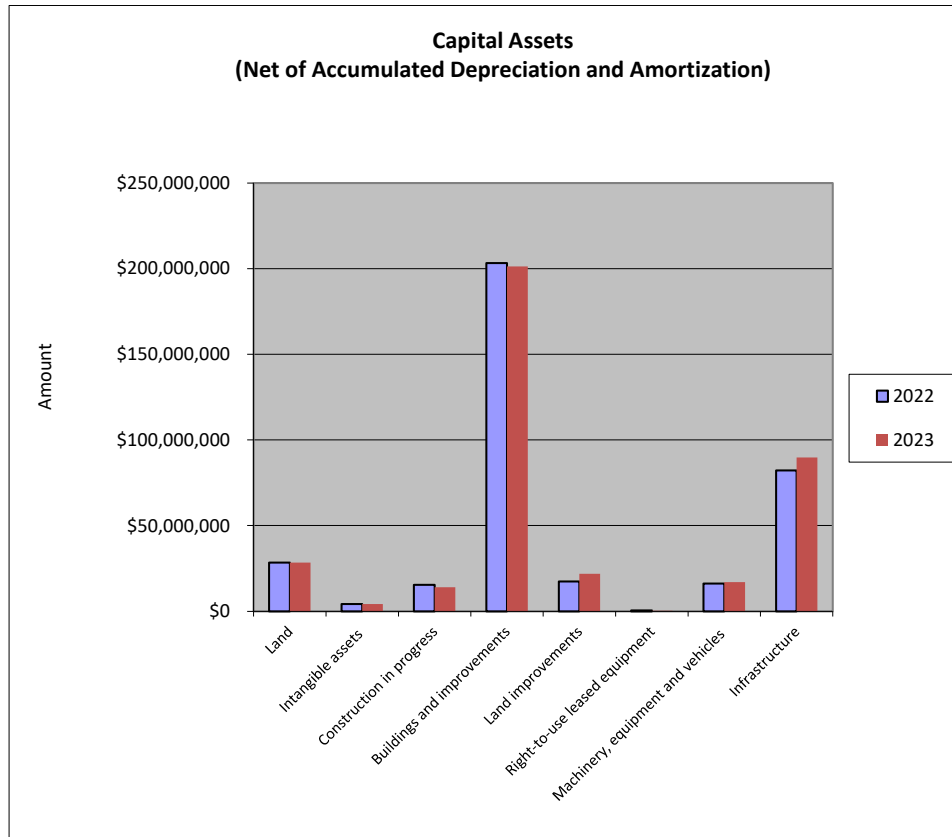
Capital Assets, Net
June 30, 2022

	Governmental Activities	Business-type Activities	Total
Land	\$ 28,479,476	\$ 1,000	\$ 28,480,476
Intangible assets	3,986,359	231,246	4,217,605
Construction in progress	13,424,043	2,074,577	15,498,620
Buildings and improvements	203,233,275	-	203,233,275
Land improvements	17,460,781	-	17,460,781
Right-to-use leased equipment	537,472	-	537,472
Machinery, equipment and vehicles	15,542,218	634,126	16,176,344
Infrastructure	55,393,632	26,789,823	82,183,455
Totals	<u>\$ 338,057,256</u>	<u>\$ 29,730,772</u>	<u>\$ 367,788,028</u>

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Capital Asset and Debt Administration (Continued)

Capital Assets *(Continued)*



Additional information on the Town's capital assets can be found in Note 4 starting on page 42 of the financial statements.

Debt Administration

At the end of the current fiscal year, the Town had total long-term debt outstanding of \$84,507,164. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt decreased by \$1,671,989 or 1.94% during the current fiscal year. The decrease is due to the issuance of \$6,060,000 in general obligation bonds, offset by scheduled debt service payments. The \$6,060,000 in bonds were issued to fund various general purpose and school projects authorized by the Town.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Capital Asset and Debt Administration (Continued)

Debt Administration (Continued)

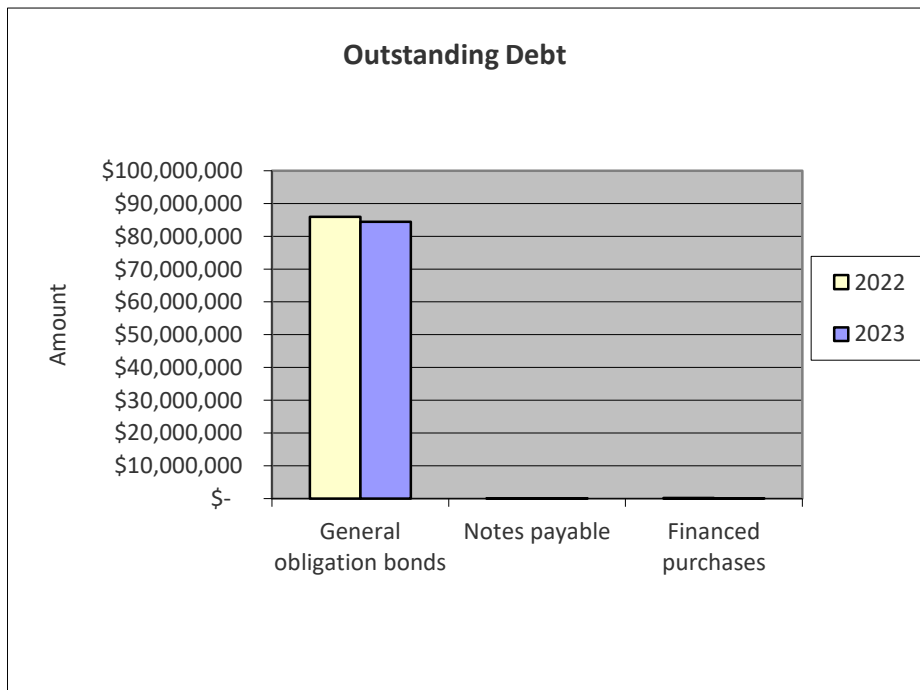
The following are tables of long-term debt presented for both governmental and business-type activities:

**Long-term Debt
June 30, 2023**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 81,969,000	\$ 2,476,000	\$ 84,445,000
Notes payable	25,786	-	25,786
Financed purchases	36,378	-	36,378
Totals	<u>\$ 82,031,164</u>	<u>\$ 2,476,000</u>	<u>\$ 84,507,164</u>

**Long-term Debt
June 30, 2022**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 83,261,000	\$ 2,679,000	\$ 85,940,000
Notes payable	66,653	-	66,653
Financed purchases	172,500	-	172,500
Totals	<u>\$ 83,500,153</u>	<u>\$ 2,679,000</u>	<u>\$ 86,179,153</u>



Additional information on the Town's long-term debt can be found in Note 7 starting on page 45 of the financial statements.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

Economic Factors and Next Year's Budget and Rates

In April 2023, the Town adopted a General Fund budget for the fiscal year ending June 30, 2023. The budget reflected an overall increase in expenditures of \$3,569,753 or 2.8% over the Town's fiscal year 2023 original adopted budget. Fiscal year 2024 budgeted expenditures of \$132,595,791 allows the Town to continue to maintain the same level of programs and services to its residents. For fiscal year 2024, the Town has planned for a utilization of fund balance in the amount of \$1,500,680 to fund a nonrecurring transfer to the Capital Nonrecurring Fund. This transfer was budgeted for in order to comply with the Town's fund balance policy regarding excess unassigned fund balance within the General Fund.

A summary of key economic factors affecting the Town are as follows:

- For purposes of calculating property tax revenues, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on-behalf of certain taxpayers.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.
- It is was unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's General Fund budget for fiscal year 2024.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 3 Primrose Street, Town Hall, Newtown, CT 06470.

BASIC FINANCIAL STATEMENTS

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 31,704,272	\$ 691,459	\$ 32,395,731
Investments	16,092,251	-	16,092,251
Receivables:			
Property taxes and interest, net	4,166,166	-	4,166,166
Assessments and interest, net	-	323,000	323,000
User charges and interest, net	-	205,083	205,083
Grants and contracts	972,537	349,948	1,322,485
Other	607,950	-	607,950
Internal balances	2,512,330	(2,512,330)	-
Other	675,719	-	675,719
Noncurrent assets:			
Receivables:			
Assessments	-	4,061,353	4,061,353
Loans	244,431	-	244,431
Capital assets:			
Non-depreciable	46,115,660	420,569	46,536,229
Depreciable, net	300,912,270	29,651,035	330,563,305
Total assets	<u>404,003,586</u>	<u>33,190,117</u>	<u>437,193,703</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	2,897,674	-	2,897,674
OPEB related	1,123,041	-	1,123,041
Deferred charges on refunding	33,487	40,121	73,608
Total deferred outflows of resources	<u>4,054,202</u>	<u>40,121</u>	<u>4,094,323</u>
LIABILITIES			
Accounts payable	4,086,711	14,805	4,101,516
Accrued interest payable	887,160	-	887,160
Other accrued liabilities	3,786,367	33,102	3,819,469
Unearned revenue	4,894,713	-	4,894,713
Deposits payable	1,180,233	-	1,180,233
Other	14,663	-	14,663
Noncurrent liabilities:			
Due in one year	8,617,943	214,000	8,831,943
Due in more than one year	99,888,156	2,262,000	102,150,156
Total liabilities	<u>123,355,946</u>	<u>2,523,907</u>	<u>125,879,853</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,118,474	-	2,118,474
OPEB related	2,503,353	-	2,503,353
Total deferred inflows of resources	<u>4,621,827</u>	<u>-</u>	<u>4,621,827</u>
NET POSITION			
Net investment in capital assets	262,609,365	27,635,725	290,245,090
Restricted for:			
Endowments:			
Nonexpendable	610,000	-	610,000
Expendable	1,840,490	-	1,840,490
Grants and other programs	2,744,503	-	2,744,503
Unrestricted	12,275,657	3,070,606	15,346,263
Total net position	<u>\$ 280,080,015</u>	<u>\$ 30,706,331</u>	<u>\$ 310,786,346</u>

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 7,483,840	\$ 2,051,741	\$ 431,747	\$ 3,122	\$ (4,997,230)	\$ -	\$ (4,997,230)
Public safety	13,023,195	1,424,146	556,779	572,581	(10,469,689)	-	(10,469,689)
Health and welfare	2,480,738	29,885	153,303	-	(2,297,550)	-	(2,297,550)
Land use	971,345	50,661	-	-	(920,684)	-	(920,684)
Public works	14,000,893	787,835	1,700,907	328,098	(11,184,053)	-	(11,184,053)
Parks and recreation	7,540,000	3,095,184	1,444,954	169,023	(2,830,839)	-	(2,830,839)
Education	111,406,251	2,878,801	27,129,677	2,361,162	(79,036,611)	-	(79,036,611)
Interest expense	2,096,809	-	-	-	(2,096,809)	-	(2,096,809)
Total governmental activities	159,003,071	10,318,253	31,417,367	3,433,986	(113,833,465)	-	(113,833,465)
Business-type activities:							
Sewer	1,845,025	997,628	-	914,981	-	67,584	67,584
Water	408,202	429,661	-	-	-	21,459	21,459
Total business-type activities	2,253,227	1,427,289	-	914,981	-	89,043	89,043
Total primary government	\$ 161,256,298	\$ 11,745,542	\$ 31,417,367	\$ 4,348,967	(113,833,465)	89,043	(113,744,422)
General revenues:							
Property taxes, levied for general purposes					116,431,250	-	116,431,250
Grants and contributions not restricted to specific programs					2,983,519	-	2,983,519
Investment earnings					2,043,442	18,701	2,062,143
Total general revenues					121,458,211	18,701	121,476,912
		Change in net position			7,624,746	107,744	7,732,490
		Net position - beginning			272,455,269	30,598,587	303,053,856
		Net position - ending			\$ 280,080,015	\$ 30,706,331	\$ 310,786,346

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

TOWN OF NEWTOWN, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	General Fund	Bonded Projects Fund	Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 24,561,533	\$ -	\$ -	\$ 5,699,445	\$ 30,260,978
Investments	10,240,091	-	-	5,137,663	15,377,754
Receivables:					
Property taxes and interest, net	4,166,166	-	-	-	4,166,166
Grants and contracts	-	352,066	-	620,471	972,537
Loans	-	-	-	244,431	244,431
Other	575,216	6,620	-	26,114	607,950
Due from other funds	3,508,885	-	3,998,035	10,343,411	17,850,331
Prepaid items and other	594,610	-	-	81,109	675,719
Total assets	<u>\$ 43,646,501</u>	<u>\$ 358,686</u>	<u>\$ 3,998,035</u>	<u>\$ 22,152,644</u>	<u>\$ 70,155,866</u>
LIABILITIES					
Accounts payable	\$ 1,406,279	\$ 593,934	\$ 468,502	\$ 336,548	\$ 2,805,263
Accrued payroll	3,786,367	-	-	-	3,786,367
Due to other funds	14,828,074	482,489	-	514,066	15,824,629
Deposits payable	1,180,233	-	-	-	1,180,233
Unearned revenue	-	386,335	3,529,533	978,845	4,894,713
Other	14,663	-	-	-	14,663
Total liabilities	<u>21,215,616</u>	<u>1,462,758</u>	<u>3,998,035</u>	<u>1,829,459</u>	<u>28,505,868</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>4,166,166</u>	<u>-</u>	<u>-</u>	<u>244,431</u>	<u>4,410,597</u>
FUND BALANCES					
Nonspendable	-	-	-	680,441	680,441
Restricted	-	2,229,740	-	4,584,993	6,814,733
Committed	105,000	-	-	14,813,320	14,918,320
Assigned	2,676,786	-	-	-	2,676,786
Unassigned	15,482,933	(3,333,812)	-	-	12,149,121
Total fund balances	<u>18,264,719</u>	<u>(1,104,072)</u>	<u>-</u>	<u>20,078,754</u>	<u>37,239,401</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 43,646,501</u>	<u>\$ 358,686</u>	<u>\$ 3,998,035</u>	<u>\$ 22,152,644</u>	<u>\$ 70,155,866</u>

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

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

Total fund balances for governmental funds		\$ 37,239,401
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		347,027,930
Deferred outflows and inflows of resources resulting from changes in the components of the net pension and net OPEB liabilities are reported in the statement of net position.		(601,112)
Some of the Town's receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		4,410,597
Long-term liabilities and related amounts applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.		
Accrued interest payable	(887,160)	
Long-term debt:		
Bonds and notes payable, net	(85,670,105)	
Deferred charges on refunding	33,487	
Other long-term liabilities:		
Financed purchases	(36,378)	
Leases	(381,375)	
Compensated absences	(1,251,654)	
Early retirement obligations	(10,000)	
Landfill post-closure care liability	(34,000)	
Net pension liability	(15,606,665)	
Net OPEB liability	(5,515,922)	
Total long-term liabilities		(109,359,772)
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities statement of net position.		1,362,971
Net position of governmental activities		<u>\$ 280,080,015</u>

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Bonded Projects Fund	Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 115,851,960	\$ -	\$ -	\$ -	\$ 115,851,960
Intergovernmental	21,267,937	2,333,804	1,085,165	6,621,680	31,308,586
Charges for services	2,354,431	-	-	7,963,824	10,318,255
Investment income	1,662,504	-	-	317,941	1,980,445
Contributions and other	268,472	14,445	-	2,311,649	2,594,566
Total revenues	<u>141,405,304</u>	<u>2,348,249</u>	<u>1,085,165</u>	<u>17,215,094</u>	<u>162,053,812</u>
EXPENDITURES					
Current:					
General government	4,875,714	-	-	1,006,154	5,881,868
Public safety	10,907,400	-	-	1,090,249	11,997,649
Health and welfare	1,979,177	-	-	386,232	2,365,409
Land use	873,410	-	-	-	873,410
Public works	11,447,378	-	-	-	11,447,378
Parks and recreation	3,909,272	-	-	2,576,372	6,485,644
Education	93,881,551	-	-	8,700,500	102,582,051
Debt service:					
Principal	7,589,864	-	-	106,463	7,696,327
Interest and fiscal charges	2,310,147	-	-	466,320	2,776,467
Capital outlays	441,835	14,468,750	1,085,165	2,117,555	18,113,305
Total expenditures	<u>138,215,748</u>	<u>14,468,750</u>	<u>1,085,165</u>	<u>16,449,845</u>	<u>170,219,508</u>
Excess (deficiency) of revenues over expenditures	3,189,556	(12,120,501)	-	765,249	(8,165,696)
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	6,060,000	-	-	6,060,000
Premium on bonds issued	-	-	-	433,389	433,389
Transfers in	495,000	-	-	3,113,110	3,608,110
Transfers out	(3,362,934)	(9,666)	-	(495,000)	(3,867,600)
Total other financing sources (uses)	<u>(2,867,934)</u>	<u>6,050,334</u>	<u>-</u>	<u>3,051,499</u>	<u>6,233,899</u>
Net change in fund balances	321,622	(6,070,167)	-	3,816,748	(1,931,797)
Fund balances - beginning	<u>17,943,097</u>	<u>4,966,095</u>	<u>-</u>	<u>16,262,006</u>	<u>39,171,198</u>
Fund balances - ending	<u>\$ 18,264,719</u>	<u>\$ (1,104,072)</u>	<u>\$ -</u>	<u>\$ 20,078,754</u>	<u>\$ 37,239,401</u>

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

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds \$ (1,931,797)

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

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

Expenditures for capital assets	\$ 15,944,876	
Depreciation and amortization expense	<u>(7,376,332)</u>	
Net adjustment		8,568,544

In the statement of activities, only the loss on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the funds. (95,990)

Contribution of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 498,120

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
General obligation bonds	(6,060,000)	
Premium on bonds	(433,389)	
Principal repayments:		
Bonds and notes payable	7,392,867	
Financed purchases	136,122	
Leases	<u>167,345</u>	
Net adjustment		1,202,945

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities. (3,500,236)

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2023

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

Accrued interest	\$ 18,670	
Amortization of bond premiums	644,305	
Amortization of deferred charges on refunding	16,676	
Compensated absences	(48,308)	
Early retirement obligations	179,433	
Landfill post-closure care liability	17,000	
Net pension liability	3,750,300	
Net OPEB liability	<u>(278,736)</u>	
		\$ 4,299,340

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues. 579,290

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within the governmental activities. (1,995,470)

Change in net position of governmental activities \$ 7,624,746
Concluded

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF NET POSITION -
PROPRIETARY FUNDS
AS OF JUNE 30, 2023

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 691,459	\$ -	\$ 691,459	\$ 1,443,294
Investments	-	-	-	714,497
Receivables:				
Assessments and interest, net	270,240	52,760	323,000	-
User charges and interest, net	153,857	51,226	205,083	-
Intergovernmental	349,948	-	349,948	-
Due from other funds	-	-	-	486,628
Total current assets	<u>1,465,504</u>	<u>103,986</u>	<u>1,569,490</u>	<u>2,644,419</u>
Noncurrent assets:				
Receivables:				
Assessments	2,859,894	1,201,459	4,061,353	-
Advance to other fund	394,850	-	394,850	-
Capital assets:				
Non-depreciable	225,550	195,019	420,569	-
Depreciable, net	<u>27,544,785</u>	<u>2,106,250</u>	<u>29,651,035</u>	<u>-</u>
Total noncurrent assets	<u>31,025,079</u>	<u>3,502,728</u>	<u>34,527,807</u>	<u>-</u>
Total assets	<u>32,490,583</u>	<u>3,606,714</u>	<u>36,097,297</u>	<u>2,644,419</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	<u>40,121</u>	<u>-</u>	<u>40,121</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	9,746	5,059	14,805	-
Accrued liabilities:				
Claims	-	-	-	1,281,448
Other	33,102	-	33,102	-
Due to other funds	1,856,912	655,418	2,512,330	-
Bonds and notes payable	<u>214,000</u>	<u>-</u>	<u>214,000</u>	<u>-</u>
Total current liabilities	<u>2,113,760</u>	<u>660,477</u>	<u>2,774,237</u>	<u>1,281,448</u>
Noncurrent liabilities:				
Advances from other fund	-	394,850	394,850	-
Bonds and notes payable	<u>2,262,000</u>	<u>-</u>	<u>2,262,000</u>	<u>-</u>
Total non-current liabilities	<u>2,262,000</u>	<u>394,850</u>	<u>2,656,850</u>	<u>-</u>
Total liabilities	<u>4,375,760</u>	<u>1,055,327</u>	<u>5,431,087</u>	<u>1,281,448</u>
NET POSITION				
Net investment in capital assets	25,334,456	2,301,269	27,635,725	-
Unrestricted	<u>2,820,488</u>	<u>250,118</u>	<u>3,070,606</u>	<u>1,362,971</u>
Total net position	<u>\$ 28,154,944</u>	<u>\$ 2,551,387</u>	<u>\$ 30,706,331</u>	<u>\$ 1,362,971</u>

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 997,628	\$ 429,661	\$ 1,427,289	\$ 15,645,944
Total operating revenues	997,628	429,661	1,427,289	15,645,944
OPERATING EXPENSES				
Premiums and claims	-	-	-	15,848,918
Contracted services	896,298	154,368	1,050,666	-
Utilities	98,645	55,289	153,934	-
Administrative and other	173,215	27,856	201,071	2,114,983
Depreciation and amortization	587,584	153,370	740,954	-
Other	19,460	-	19,460	-
Total operating expenses	1,775,202	390,883	2,166,085	17,963,901
Operating income (loss)	(777,574)	38,778	(738,796)	(2,317,957)
NON-OPERATING INCOME (EXPENSE)				
Interest income	18,701	-	18,701	62,997
Interest expense	(69,823)	(17,319)	(87,142)	-
Total non-operating expense, net	(51,122)	(17,319)	(68,441)	62,997
Income (loss) before capital contributions and transfers	(828,696)	21,459	(807,237)	(2,254,960)
Capital contributions	914,981	-	914,981	-
Transfer in	-	-	-	259,490
Change in net position	86,285	21,459	107,744	(1,995,470)
Net position - beginning	28,068,659	2,529,928	30,598,587	3,358,441
Net position - ending	\$ 28,154,944	\$ 2,551,387	\$ 30,706,331	\$ 1,362,971

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for the following:				
Charges for services	\$ 784,380	\$ 495,830	\$ 1,280,210	\$ 16,050,388
Cash paid for the following:				
Operating activities	(1,768,700)	(269,510)	(2,038,210)	(2,114,983)
Claims incurred	-	-	-	(15,957,061)
Net cash provided by (used in) operating activities	<u>(984,320)</u>	<u>226,320</u>	<u>(758,000)</u>	<u>(2,021,656)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund activity	<u>1,203,920</u>	<u>(11,813)</u>	<u>1,192,107</u>	<u>1,372,195</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contribution	914,981	-	914,981	-
Purchases of capital assets	(884,598)	(197,188)	(1,081,786)	-
Interest paid on capital debt	(70,268)	(17,319)	(87,587)	-
Principal paid on capital debt	(197,035)	-	(197,035)	-
Net cash used in capital and related financial activities	<u>(236,920)</u>	<u>(214,507)</u>	<u>(451,427)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net proceeds from investments	-	-	-	490,403
Investment income	<u>18,701</u>	<u>-</u>	<u>18,701</u>	<u>62,997</u>
Net cash provided by investing activities	<u>18,701</u>	<u>-</u>	<u>18,701</u>	<u>553,400</u>
Net increase (decrease) in cash and cash equivalents	1,381	-	1,381	(96,061)
Cash and cash equivalents, beginning of year	690,078	-	690,078	1,539,355
Cash and cash equivalents, end of year	<u>\$ 691,459</u>	<u>\$ -</u>	<u>\$ 691,459</u>	<u>\$ 1,443,294</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (777,574)	\$ 38,778	\$ (738,796)	\$ (2,317,957)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	587,584	153,370	740,954	-
Changes in assets and liabilities:				
Receivables	(213,248)	66,169	(147,079)	404,444
Accounts payable	(581,082)	(31,997)	(613,079)	308,945
Accrued liabilities	-	-	-	(417,088)
Net cash provided by (used in) operating activities	<u>\$ (984,320)</u>	<u>\$ 226,320</u>	<u>\$ (758,000)</u>	<u>\$ (2,021,656)</u>

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2023

	Pension and Other Post- Employment Benefits Trust Funds
ASSETS	
Cash and cash equivalents	\$ 262,540
Investments:	
Mutual funds	61,652,354
Total assets	<u>61,914,894</u>
LIABILITIES	
Accounts payable	<u>221,740</u>
NET POSITION	
Restricted for:	
OPEB benefits	4,334,649
Pension benefits	57,358,505
Total net position	<u><u>61,693,154</u></u>

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Pension and Other Post- Employment Benefits Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,451,611
Plan members	374,831
Total contributions	<u>2,826,442</u>
Investment earnings:	
Interest and dividends	2,123,229
Net change in the fair value of investments	<u>3,794,824</u>
	5,918,053
Less investment fees	<u>(63,773)</u>
Total investment earnings	5,854,280
Total additions	<u>8,680,722</u>
DEDUCTIONS	
Benefit payments	2,955,481
Administrative expenses	<u>60,189</u>
Total deductions	<u>3,015,670</u>
Change in net position	5,665,052
Net position - beginning	<u>56,028,102</u>
Net position - ending	<u>\$ 61,693,154</u>

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

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The Town of Newtown, Connecticut, was incorporated on October 11, 1711, and covers an area of 60 square miles. The Town operates under a Board of Selectmen/Board of Finance/Legislative Council/Town referendum form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted in 1961 and amended in 2016. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, water pollution control and solid waste disposal services and education encompassing grades Pre-K through 12th grade.

The legislative power of the Town is with the Board of Selectmen, Legislative Council and Town referendum. The Legislative Council may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets to the Legislative Council for approval at Town referendum.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units - The Town has established two single-employer defined benefit pension plans and one other post-employment benefit (OPEB) plan to provide retirement and health care benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the pension and OPEB plans and makes contributions to the plans. The financial statements of the fiduciary component units are reported as Pension and OPEB Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

Related Organizations

The C.H. Booth Library is a 501(c)3 not-for-profit organization that operates within the Town of Newtown. The First Selectman of the Town, with approval of the Board of Selectmen, appoints eight of the sixteen members of the Library's Board of Trustees. The Town owns the building and supports the operations of the Library through annual appropriations from its General Fund. The amount paid to the Library by the Town for the year ended June 30, 2023 totaled \$1,408,823.

The Town is a member of the Western Connecticut Council of Governments (the Council), which provides certain member initiated regional programs and services. The Town's First Selectman serves on the Council's Board of Directors. The Council issues publicly available financial reports.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, however interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Bonded Projects Fund - This fund is used to account for the financial activity of capital projects financed with debt proceeds.

Local Fiscal Recovery Fund - This fund is used to account for the receipt of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act.

The Town reports the following major proprietary funds:

Sewer Fund - This fund is used to account for the activities of the Town's sewer operations.

Water Fund - This fund is used to account for the activities of the Town's water operations.

In addition, the Town reports the following proprietary and fiduciary fund types:

Internal Service Fund - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for medical and dental self-insurance activities.

Pension and Other Post-Employment Benefits Trust Funds - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's retirement and other post-employment benefit plans.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of sewer and water charges and premiums for medical and dental benefits. Operating expenses of the Town's enterprise fund include the cost of operations and maintenance, administrative expenses, and depreciation of capital assets. The principal operating revenues of the Town's internal service fund consist of charges for premiums. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

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

Donor-Restricted Endowments

The Town has received certain endowments for the maintenance of Hawley School, Edmond Town Hall, the Newtown flagpole and for the care of animals. These amounts are reflected in net position as restricted for endowments. Investment income is approved for expenditure by the individual boards of the benefiting activities and is included in restricted fund balance. As of June 30, 2023, net appreciation available for appropriation is \$1,840,490. The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending on the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Property Taxes

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Taxes not paid within 30 days of the due date are subject to an interest charge of 1.5% per month. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest as of June 30, 2023 of \$362,000 and \$718,000, respectively.

Sewer and Water Charges

The Town operates a centralized wastewater treatment system and a potable water system. Upon completion of projects, assessments are levied and assess to users annually over a twenty year period. Usage charges are billed either annually or semi-annually depending upon the type of customer.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Sewer and Water Charges *(Continued)*

Assessments and usage charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible assessment and usage charges of \$74,185 and \$5,000 as of June 30, 2023, respectively.

Loans Receivable

The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2023, loans receivable totaled \$244,431 under this program.

Leases (as Lessor)

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

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

Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Capital Assets *(Continued)*

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

Assets	Years
Interlocal agreement rights	30
Sewer plant	50
Sewer transmission lines	100
Roads	50-75
Bridges	100
Land improvements	20-100
Buildings	20-100
Vehicles	3-30
Equipment	5-30
Intangible assets	30-43

Unearned Revenue

This liability represents resources that have been received but not yet earned.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time. Deferred outflows and inflows of resources consists of deferred charges on pension and OPEB expenses and deferred charges on refundings reported in the government-wide statement of net position. Deferred charges on pension and OPEB expenses result from changes in the components of the Town's net pension and OPEB liabilities and are amortized as a component of pension and OPEB expenses on a systematic and rational basis. Deferred charges on refundings resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount has been deferred and is being amortized as a component of interest expense over the life of the related debt. Deferred inflows of resources consists of unavailable revenue reported in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations

Long-term Debt

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

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

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Long-term Obligations *(Continued)*

Long-term Debt (Continued)

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

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt and other long-term obligations on the statement of net position.

Compensated Absences

Employees of the Town and Board of Education earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies. Accumulated sick leave does not vest and the payment of nonvesting accumulated sick pay depends on the future illness of the employee and, therefore, no liability has been accrued for in the financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources. All compensated absences are accrued when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (i.e. due to resignation or retirement).

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

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

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

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

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the citizens of the Legislative Council (the highest level of decision making authority) specified by Town Charter and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. Commitments may be established, modified, or rescinded through resolutions approved by the Legislative Council.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

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

Fund Balance *(Continued)*

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts. Intent is expressed by the passing of a resolution by the Board of Finance/Legislative Council or from a properly approved purchase order.

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

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

Interfund Activity

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2023 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 31,704,272
Statement of fiduciary net position:	
Cash and cash equivalents	<u>262,540</u>
	31,966,812
 Add: cash deposits presented as investments	 285,407
Less: investments presented as cash equivalents	<u>(9,431,078)</u>
	<u><u>\$ 22,821,141</u></u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2023, \$8,759,043 of the Town's bank balance of \$24,233,435 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,883,139
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>875,904</u>
	<u><u>\$ 8,759,043</u></u>

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

Investments

A reconciliation of the Town's investments as of June 30, 2023 is as follows:

Government-wide statement of net position:	
Investments	\$ 16,092,251
Statement of fiduciary net position:	
Investments	<u>61,652,354</u>
	77,744,605
 Less: cash deposits presented as investments	 (285,407)
Add: investments presented as cash equivalents	<u>9,431,078</u>
	<u><u>\$ 86,890,276</u></u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments *(Continued)*

As of June 30, 2023, the Town's investments consist of the following:

Investment Type	Valuation Basis	Value	Investment Maturities (In Years)	
			Less Than 1	1 to 5
Debt Securities:				
<i>Governmental Activities:</i>				
Short-term Investment Fund	Amortized cost	\$ 9,168,538	\$ 9,168,538	\$ -
Certificates of deposits	Fair value	12,372,134	3,084,890	9,287,244
Mortgage-backed securities	Fair value	1,989,793	-	1,989,793
<i>Fiduciary Funds:</i>				
Money market mutual funds	Amortized cost	262,540	262,540	-
		23,793,005	<u>\$ 12,515,968</u>	<u>\$ 11,277,037</u>
Other Investments:				
<i>Governmental Activities:</i>				
Mutual funds	Fair value	1,376,230		
Other	Fair value	68,687		
<i>Fiduciary Funds:</i>				
Mutual Funds	Fair value	61,652,354		
		<u>\$ 86,890,276</u>		

Interest Rate Risk

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows:

Investment Type	AAA	Unrated	Total
Debt Securities:			
<i>Governmental Activities:</i>			
Short-term Investment Fund	\$ 9,168,538	\$ -	\$ 9,168,538
Certificates of deposits	-	12,372,134	12,372,134
Mortgage-backed securities	1,989,793	-	1,989,793
<i>Fiduciary Funds:</i>			
Money market mutual funds	-	262,540	262,540
	<u>\$ 11,158,331</u>	<u>\$ 12,634,674</u>	<u>\$ 23,793,005</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Investments *(Continued)*

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in external investment pools and mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk. The Town's other investments are held in book entry form in the name of the Town and are therefore also not exposed to custodial credit risk.

Concentrations of Credit Risk

The Town's policy states credit risk will be minimized by limiting investments to the safest types of securities and pre-qualifying the financial institution with which the Town will do business. The Town is only allowed to invest in those types of investments that are covered by the state of Connecticut Municipal Investment Act. The investment portfolio must be diversified so that potential losses on individual securities will be minimized.

NOTE 3 - FAIR VALUE DISCLOSURES

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

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

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2023, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<i>Governmental Activities:</i>				
Certificates of deposits	\$ -	\$ 12,372,134	\$ -	\$ 12,372,134
Mortgage-backed securities	-	1,989,793	-	1,989,793
Mutual funds	1,376,230	-	-	1,376,230
Other	68,687	-	-	68,687
<i>Fiduciary Funds:</i>				
Mutual funds	61,652,354	-	-	61,652,354
	<u>\$ 63,097,271</u>	<u>\$ 14,361,927</u>	<u>\$ -</u>	77,459,198
	Investments measured at amortized cost			9,431,078
				<u><u>\$ 86,890,276</u></u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2023 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 28,479,476	\$ 3,120	\$ -	\$ -	\$ 28,482,596
Intangible assets	3,986,359	-	-	-	3,986,359
Construction in progress	13,424,043	13,645,386	-	(13,422,724)	13,646,705
Total capital assets, not being depreciated	45,889,878	13,648,506	-	(13,422,724)	46,115,660
Capital assets, being depreciated:					
Buildings and systems	248,845,955	-	(91,134)	1,376,140	250,130,961
Land improvements	29,513,657	325,098	-	5,402,612	35,241,367
Right-to-use leased equipment	891,925	-	-	-	891,925
Machinery and equipment	19,318,709	726,354	(54,140)	-	19,990,923
Vehicles	13,945,278	1,743,038	(395,002)	-	15,293,314
Infrastructure	76,473,621	-	-	6,643,972	83,117,593
Total capital assets, being depreciated	388,989,145	2,794,490	(540,276)	13,422,724	404,666,083
Less accumulated depreciation and amortization for:					
Buildings and systems	45,588,563	3,272,374	(71,122)	-	48,789,815
Land improvements	12,052,876	1,305,647	-	-	13,358,523
Right-to-use leased equipment	354,453	172,041	-	-	526,494
Machinery and equipment	10,498,928	682,459	(46,360)	-	11,135,027
Vehicles	7,246,958	816,687	(326,804)	-	7,736,841
Infrastructure	21,079,989	1,127,124	-	-	22,207,113
Total accumulated depreciation and amortization	96,821,767	7,376,332	(444,286)	-	103,753,813
Total capital assets, being depreciated, net	292,167,378	(4,581,842)	(95,990)	13,422,724	300,912,270
Governmental activities capital assets, net	\$ 338,057,256	\$ 9,066,664	\$ (95,990)	\$ -	\$ 347,027,930

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

Governmental Activities:	
General government	\$ 1,378,633
Public safety	633,948
Public works	1,404,217
Health and welfare	20,018
Park and recreation	736,825
Education	3,202,691
Total depreciation and amortization expense - governmental activities	<u>\$ 7,376,332</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities for the year ended June 30, 2023 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Construction in progress	2,074,577	884,598	-	(2,539,606)	419,569
Total capital assets, not being depreciated	<u>2,075,577</u>	<u>884,598</u>	<u>-</u>	<u>(2,539,606)</u>	<u>420,569</u>
Capital assets, being depreciated:					
Intangible assets	1,361,000	-	-	-	1,361,000
Plant and pumping stations	15,641,581	197,188	-	706,350	16,545,119
Sewer distribution system	23,232,801	-	-	1,833,256	25,066,057
Water distribution system	2,275,502	-	-	-	2,275,502
Equipment	753,912	-	-	-	753,912
Vehicles	173,006	-	-	-	173,006
Total capital assets, being depreciated	<u>43,437,802</u>	<u>197,188</u>	<u>-</u>	<u>2,539,606</u>	<u>46,174,596</u>
Less accumulated depreciation and amortization for:					
Intangible assets	1,129,754	43,351	-	-	1,173,105
Plant and pumping stations	7,104,445	341,588	-	-	7,446,033
Sewer distribution system	5,683,533	249,560	-	-	5,933,093
Water distribution system	1,572,082	86,316	-	-	1,658,398
Equipment	133,486	20,139	-	-	153,625
Vehicles	159,307	-	-	-	159,307
Total accumulated depreciation and amortization	<u>15,782,607</u>	<u>740,954</u>	<u>-</u>	<u>-</u>	<u>16,523,561</u>
Total capital assets, being depreciated, net	<u>27,655,195</u>	<u>(543,766)</u>	<u>-</u>	<u>2,539,606</u>	<u>29,651,035</u>
Business-type activities capital assets, net	<u>\$ 29,730,772</u>	<u>\$ 340,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,071,604</u>

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

Business-Type Activities:	
Sewer	\$ 587,584
Water	<u>153,370</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 740,954</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2023 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Water Fund	\$ 655,418
	Sewer Fund	1,856,912
	Bonded Projects Fund	482,489
	Other Governmental Funds	514,066
		<u>3,508,885</u>
Local Fiscal Recovery Fund	General Fund	3,998,035
Other Governmental Funds	General Fund	10,343,411
		<u>\$ 17,850,331</u>
Proprietary Funds:		
Internal Service Fund	General Fund	\$ 486,628
Sewer Fund	Water Fund	394,850
		<u>\$ 881,478</u>

Except as discussed below, the above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The Water Pollution Control Authority approved a loan from the Sewer Fund to the Water Fund. Interest is payable on amounts outstanding at an annual rate of 4.0%. It is anticipated that a portion of the balance, in the amount of \$394,850 due to the Sewer Fund from the Water Fund will not be repaid within one year. This amount has been presented as an advance as of June 30, 2023.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Other Governmental Funds	\$ 495,000
Other Governmental Funds	General Fund	3,103,444
	Bonded Projects Fund	9,666
		<u>3,113,110</u>
		<u>\$ 3,608,110</u>
Proprietary Funds:		
Internal Service Fund	General Fund	<u>\$ 259,490</u>

Transfers are used to move budgeted appropriations from the General Fund for funding of the Capital and Nonrecurring Fund and various programs and activities in other funds. In addition, certain interfund transfers are used to move excess revenue generated in a fiscal year from the Police Private Duty Fund to the General Fund.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2023, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 83,261,000	\$ 6,060,000	\$ (7,352,000)	\$ 81,969,000	\$ 8,146,000
Unamortized premiums	3,886,235	433,389	(644,305)	3,675,319	-
Total bonds payable	87,147,235	6,493,389	(7,996,305)	85,644,319	8,146,000
Notes payable	66,653	-	(40,867)	25,786	10,135
Financed purchases	172,500	-	(136,122)	36,378	11,645
<i>Other Long-term Liabilities:</i>					
Leases	548,720	-	(167,345)	381,375	174,163
Compensated absences	1,203,346	494,206	(445,898)	1,251,654	254,000
Termination benefits	189,433	-	(179,433)	10,000	5,000
Landfill post-closure care liability	51,000	-	(17,000)	34,000	17,000
Net pension liability (see Note 8)	19,356,965	-	(3,750,300)	15,606,665	-
Net OPEB liability (see Note 9)	5,237,186	278,736	-	5,515,922	-
	<u>\$ 113,973,038</u>	<u>\$ 7,266,331</u>	<u>\$ (12,733,270)</u>	<u>\$ 108,506,099</u>	<u>\$ 8,617,943</u>
Business-type Activities					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 2,679,000	\$ -	\$ (203,000)	\$ 2,476,000	\$ 214,000
Unamortized premiums	5,647	-	(5,647)	-	-
Total bonds payable	<u>\$ 2,684,647</u>	<u>\$ -</u>	<u>\$ (208,647)</u>	<u>\$ 2,476,000</u>	<u>\$ 214,000</u>

Long-term liabilities typically have been liquidated by the General Fund for governmental activities and the Sewer and Water Fund for business-type activities.

General Obligation Bonds and Notes Payable

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and notes are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

General Obligation Bonds and Notes Payable *(Continued)*

General obligation bonds and notes currently outstanding are as follows:

Purpose of Bonds	Fiscal Year of Issue	Original Issue	Interest Rates	Fiscal Year of Maturity	Amount Outstanding
Governmental Activities:					
General obligation bonds:					
General Obligation Refunding Bonds	2012	\$ 15,300,000	1.0% - 4.0%	2027	\$ 1,445,000
General Obligation Refunding Bonds	2015	17,620,000	2.375% - 5.0%	2031	5,600,000
General Obligation Bonds	2016	12,000,000	2.0% - 4.0%	2036	7,500,000
General Obligation Bonds	2017	4,808,000	2.0% - 4.0%	2037	3,069,000
General Obligation Bonds	2018	13,000,000	2.0%-5.0%	2038	9,100,000
General Obligation Refunding Bonds	2019	6,750,000	3.0% - 5.0%	2032	4,705,000
General Obligation Bonds	2019	10,400,000	2.0%-5.0%	2039	8,680,000
General Obligation Bonds	2020	11,500,000	3.0% - 5.0%	2040	9,915,000
General Obligation Refunding Bonds	2020	3,515,000	5.0%	2024	580,000
General Obligation Refunding Bonds	2020	10,450,000	1.0% - 2.5%	2036	9,915,000
General Obligation Bonds	2021	7,810,000	2.0%-5.0%	2041	7,395,000
General Obligation Bonds	2022	8,430,000	3.0% - 5.0%	2042	8,005,000
General Obligation Bonds	2023	6,060,000	4.0% - 5.0%	2043	6,060,000
					<u>81,969,000</u>
Notes payable:					
Drinking Water Fund Note	2006	171,738	2.32%	2026	25,786
					<u>\$ 81,994,786</u>
Business-type Activities:					
General obligation bonds:					
General Obligation Bonds	2017	282,000	2.0% - 4.0%	2037	\$ 196,000
General Obligation Refunding Bonds	2020	1,465,000	1.0% - 2.5%	2036	1,415,000
General Obligation Bonds	2021	915,000	2.0%-5.0%	2041	865,000
					<u>\$ 2,476,000</u>

Financed Purchases

The Town has entered into financed purchase contracts for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes equal annual payments of principal and interest at an interest rate of 4.0% through various maturity dates.

Advance Refundings

The Town has refunded general obligation bonds in prior years. At June 30, 2023, \$32,945,000 of defeased bonds remain outstanding. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in deferred charges on refundings. This amount, net of accumulated amortization, has been presented as a deferred outflow of resources in the government-wide financial statements and is being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$16,676 for the year ended June 30, 2023. The general obligation bonds refunded are considered defeased and the liability for those bonds has been removed from the statement of net position. Proceeds from the issuance of the refunding bonds are being held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2023.

Authorized/Unissued Debt

At June 30, 2023, the Town had authorized unissued debt as follows:

Hawleyville Sewer Extension	\$ 530,000
Sandy Hook Permanent Memorial	50,000
Bridge Program	336,000
Emergency Radio System	341,933
Hawley HVAC & Ventilation	4,000,000
High School HVAC	14,000
High School Rear Turf Field	10,000
Glen Road Clean Up	200,000
Library Improvements	200,000
Head O'Meadow Boiler	500
Newtown High School HVAC Replacements - Phase II	1,200,000
Newtown Middle School HVAC Design	450,000
Municipal Center Remediation & Replacement of Roof	1,550,000
Head O'Meadow Replacement of Condensing Units & Piping Coils	600,000
	<u>\$ 9,482,433</u>

Long-term Debt Service Requirements

The debt service requirements for the Town's long-term debt for governmental activities are as follows:

Year ending June 30:	Governmental Activities					
	General Obligation Bonds		Notes Payables		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 8,146,000	\$ 2,581,615	\$ 10,135	\$ 491	\$ 11,645	\$ 1,482
2025	7,576,000	2,293,730	10,373	253	12,119	1,008
2026	7,146,000	2,058,942	5,278	36	12,614	513
2027	6,641,000	1,837,681	-	-	-	-
2028	5,856,000	1,635,752	-	-	-	-
2029-2033	23,585,000	5,582,337	-	-	-	-
2034-2038	16,929,000	2,419,444	-	-	-	-
2039-2043	6,090,000	427,927	-	-	-	-
	<u>\$ 81,969,000</u>	<u>\$ 18,837,428</u>	<u>\$ 25,786</u>	<u>\$ 780</u>	<u>\$ 36,378</u>	<u>\$ 3,003</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - LONG-TERM LIABILITIES *(Continued)*

The debt service requirements for the Town's long-term debt for business-type activities are as follows:

Year ending June 30:	Business-type Activities	
	General Obligation Bonds	
	Principal	Interest
2024	\$ 214,000	\$ 57,312
2025	214,000	52,340
2026	204,000	47,392
2027	204,000	42,371
2028	204,000	37,141
2029-2033	905,000	115,346
2034-2038	396,000	33,270
2039-2041	135,000	5,300
	<u>\$ 2,476,000</u>	<u>\$ 390,472</u>

Leases

The Town is a lessee for noncancellable leases of equipment. The terms of the leases range from 4 to 12 years. The Town makes fixed monthly or annual payments with interest rates of 4.00%. The net book value of the right-to-use leased equipment totaled \$365,431 as of the end of June 30, 2023. The amount of the related lease liability was \$381,375 as of June 30, 2023. The future principal and interest lease payments as of June 30, 2023, are as follows:

Year ending June 30:	Principal	Interest	Total
2024	\$ 174,163	\$ 12,557	\$ 186,720
2025	37,229	7,611	44,840
2026	32,028	6,184	38,212
2027	31,047	4,953	36,000
2028	32,312	3,688	36,000
2029-2033	74,596	3,403	77,999
	<u>\$ 381,375</u>	<u>\$ 38,396</u>	<u>\$ 419,771</u>

Landfill Post-Closure Care Liability

The Town landfill has been closed since 1995. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 2 years are estimated to be \$17,000 per year. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

Termination Benefits

The Town's Board of Education provides special termination benefits to former employees in the form of an early retirement incentive. Payments made by the Town for the year ended June 30, 2023 was \$179,433. As of June 30, 2023, the Town's liability for early retirement incentives totaled \$10,000. Future annual payments on early retirement incentives as of June 30, 2023 are as follows:

Year Ending June 30:	Governmental Activities
2024	\$ 5,000
2025	5,000
Total payments	<u>\$ 10,000</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS

Defined Benefit Pension Plans

The Town accounts for activity relating to two defined benefit pension plans, (1) the Town of Newtown General Employees' and Police Personnel Retirement Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the plans had the following balances reported in the Town's government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Town of Newtown General Employees' and Police Personnel Retirement Plan	\$ 15,606,665	\$ 2,897,674	\$ 2,118,474	\$ -	\$ 2,232,043
Connecticut Teachers' Retirement System	-	-	-	15,103,794	15,103,794
	<u>\$ 15,606,665</u>	<u>\$ 2,897,674</u>	<u>\$ 2,118,474</u>	<u>\$ 15,103,794</u>	<u>\$ 17,335,837</u>

Detailed disclosures for each plan follow.

Single-Employer Defined Benefit Pension Plan

Plan Description

Plan Administration

The Town administers two single-employer defined benefit pension plans (the Town of Newtown Employees' Pension Plan and the Town of Newtown Police Officers Pension Plan, collectively referred to as the Town Plan), which provides pensions for all permanent full-time employees of the Town and police officers. Both of the pension plans grant the authority to establish and amend benefit terms to the Board of Selectmen. Management of the plan is vested in the Pension Committee, which consists of several employees or individuals appointed by the Board of Selectmen. The Town currently maintains one Pension Trust Fund. All assets accumulated in the Pension Trust Fund for the payment of benefits may legally be used to pay benefits to participants of either plan. As such, the Town reports information about both plans as one defined benefit plan. The Town Plan is considered to be part of the Town's financial reporting entity. The Town Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Summary of Significant Accounting Policies

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

Investments - Investments are generally reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment policy - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Single-Employer Defined Benefit Pension Plan *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

Concentrations - As of June 30, 2023, there were no investments in any one issuer that represented 5.0% or more of the Town Plan's total investments.

Rate of return - For the year ended June 30, 2023, the annual money-weighted rate of return on the Town Plan's investments, net of pension plan investment expense was 10.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan Membership

As of June 30, 2023, plan membership consisted of the following:

Inactive plan members or beneficiaries receiving benefits	207
Inactive plan members entitled to but not yet receiving benefits	77
Active plan members	215
	<u>499</u>

Benefit Provisions

Town of Newtown Employees' Pension Plan - The plan provides retirement, disability and death benefits to Board of Selectmen, uncertified Board of Education personnel, civilian police department personnel and certain employees of the Cyrenius H. Booth Library, the Children's Adventure Center, Inc. and the Newtown District Department of Health. Each employee may enter the plan after six months of full service. Retirement benefits for employees are calculated as the greater of a) the difference between 2.0% of the member's average annual salary times the member's years and months of credited service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 30 years of service are eligible to retire at any age with full benefits, or at age 65 upon completion of 10 years of service.

All plan members are eligible for disability benefits after 10 years of service who are determined to have a total and permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

A plan member who terminates employment with less than 10 years of credited services shall forfeit all rights to benefits under the plan except for the return of member contributions with credited interest, unless there is a separate vesting schedule set by union contract. In addition, department heads and deputy department heads who are not considered highly compensated employees shall be fully vested when they have completed five years of service.

The plan does not have any provisions for cost of living adjustments.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Single-Employer Defined Benefit Pension Plan *(Continued)*

Benefit Provisions *(Continued)*

Town of Newtown Police Officers' Pension Plan - The plan provides retirement, disability and death benefits to police officers. Sworn police officers may enter the plan after six months of full time service. Retirement benefits for plan members are calculated as the greater of a) the difference between 2.25% of the member's average annual salary times the member's years and months of credit service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 25 years of service are eligible to retire at any age with full benefits, or at age 60 upon completion of 10 years of service.

All plan members are eligible for disability benefits after 1 year of service who are determined to have a total permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits; however, benefits are subject to a minimum of 25.0% of base salary and one of the following maximums: 1) job related disability paid at 85.0% of annual compensation less any other job related disability paid by the Town or 2) non-job related disability paid at 50.0% of annual compensation less any other job related disability paid by the Town. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If death is incurred in the line of duty, the benefit is equal to 50.0% of the member's accrued benefit based on credited service and annual compensation projected to the member's normal retirement date. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

A plan member who terminates employment with 10 or more years of credited service prior to his normal, early or disability retirement date and who does not elect a refund of member contributions with credited interest, shall be vested in the accrued benefit payable at the normal retirement date. A member who is vested on his date of determination and elects a refund of member contributions and credited interest shall forfeit the entire accrued benefit. Such an election may be made any time prior to actual retirement.

Benefit terms provide for a grandfathered annual cost-of-living adjustment, which is being provided to three retired police officers/beneficiaries, in an amount equal to the less of 3.0% or 50.0% of the rate of the salary increases for new police officers.

Contributions

Town of Newtown Employees' Pension Plan - Plan participants are required to contribute 2.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

Town of Newtown Police Officers' Pension Plan - Plan participants are required to contribute 5.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

The Town's contribution to the Plan totaled \$2,251,611 and represented 15.44% of covered payroll.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Single-Employer Defined Benefit Pension Plan *(Continued)*

Net Pension Liability

The components of the Town's net pension liability of the Town Plan at June 30, 2023, were as follows:

Total pension liability	\$ 72,965,170
Plan fiduciary net position	<u>57,358,505</u>
Net pension liability	<u><u>\$ 15,606,665</u></u>

Plan fiduciary net position as a percentage of the total pension liability	78.61%
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The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2023, were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance as of June 30, 2022	\$ 71,642,199	\$ 52,285,234	\$ 19,356,965
Changes for the year:			
Service cost	1,547,311	-	1,547,311
Interest	4,543,504	-	4,543,504
Differences between expected and actual experience	(1,812,363)	-	(1,812,363)
Change in assumption	-	-	-
Contributions - employer	-	2,251,611	(2,251,611)
Contributions - employee	-	374,831	(374,831)
Net investment income	-	5,461,315	(5,461,315)
Benefit payments, including refunds	(2,955,481)	(2,955,481)	-
Administrative expense	-	(59,005)	59,005
Net changes	<u>1,322,971</u>	<u>5,073,271</u>	<u>(3,750,300)</u>
Balance as of June 30, 2023	<u><u>\$ 72,965,170</u></u>	<u><u>\$ 57,358,505</u></u>	<u><u>\$ 15,606,665</u></u>

Actuarial assumptions - The total pension liability for the Town Plan was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases, including inflation	3.00%
Investment rate of return, including inflation, net of pension plan investment expense	6.50%
Discount rate	6.50%

Mortality rates were based on the SOA PUB-10 Male and Female Pre and Post Retirement Mortality Tables, using job appropriate tables, projected generationally using the MP-2020 projection scales.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Single-Employer Defined Benefit Pension Plan *(Continued)*

Net Pension Liability *(Continued)*

The long-term expected rate of return on the Town Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Treasury Inflation-Protected Securities (TIPS)	1.50%	4.60%
U.S. Bond	23.50%	5.00%
U.S. Bonds - Dynamic	7.00%	5.60%
High Yield Bond	1.50%	7.10%
Global Bonds	1.50%	5.10%
U.S. Large Cap Equities	24.50%	6.70%
U.S. Small Cap Equities	10.50%	6.50%
Developed International Equities	17.00%	8.90%
Emerging Market Equity Funds	8.00%	10.80%
Broad Real Assets	5.00%	6.80%

Discount rate - The discount rate used to measure the total pension liability of the Town Plan was 6.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Town Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town Plan, calculated using the discount rate of 6.5% as well as what the Town Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	Discount Rate		
	1% Decrease	Current	1% Increase
Net pension liability	\$ 24,358,739	\$ 15,606,665	\$ 8,287,737

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Single-Employer Defined Benefit Pension Plan *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized pension expense related to the Town Plan of \$2,232,043. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ -	\$ 2,118,474	\$ (2,118,474)
Changes of assumptions	997,434	-	997,434
Difference between projected and actual earnings on plan investments	1,900,240	-	1,900,240
Total	<u>\$ 2,897,674</u>	<u>\$ 2,118,474</u>	<u>\$ 779,200</u>

Amounts reported as deferred outflows and inflows of resources related to the Town Plan will be recognized as an increase (decrease) to pension expense in future years as follows:

Year ended June 30,	
2024	\$ (212,624)
2025	(440,975)
2026	1,833,240
2027	(400,441)
	<u>\$ 779,200</u>

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town Plan as of and for the year ended June 30, 2023:

	Town Plan
ASSETS	
Cash and cash equivalents	\$ 241,366
Investments:	
Mutual funds	<u>57,338,879</u>
Total assets	<u>57,580,245</u>
LIABILITIES	
Payables	<u>221,740</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 57,358,505</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Single-Employer Defined Benefit Pension Plan *(Continued)*

Plan Financial Statements *(Continued)*

	<u>Town Plan</u>
ADDITIONS	
Contributions:	
Employer	\$ 2,251,611
Plan members	374,831
Total contributions	<u>2,626,442</u>
Investment earnings:	
Interest and dividends	1,977,996
Net change in the fair value of investments	<u>3,532,233</u>
	5,510,229
Less investments fees	<u>(48,914)</u>
Total investment earnings	<u>5,461,315</u>
Total additions	<u>8,087,757</u>
DEDUCTIONS	
Benefit payments	2,955,481
Administrative expenses	<u>59,005</u>
Total deductions	<u>3,014,486</u>
Change in net position	5,073,271
Net position - beginning	<u>52,285,234</u>
Net position - ending	<u><u>\$ 57,358,505</u></u>

Connecticut Teachers' Retirement System

Plan Description

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

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

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions

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

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

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

Employees - Effective January 1, 2018, each teacher is required to contribute 7.0% of pensionable salary for the pension benefit.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Administrative Expenses

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

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

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

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.853% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2022, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 18,310,559,000</u>
	Proportion	Proportionate Share
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.853%	<u>\$ 156,271,000</u>

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$12,320,874 or 0.853% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense *(Continued)*

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$15,103,794 or 0.853% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2023.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%
Emerging Market Intl. Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	<u>100%</u>	

Discount Rate

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

Defined Contribution Plans

The Town administers two single employer defined contribution plans.

One plan covers certain elected officials and "at will" employees of the Town. This plan is included in the Town's financial statements in the Pension Trust Fund. The Board of Selectmen approved and adopted this plan on July 7, 1986, and the Board has the authority to make changes to the plan. All salaried, full time elected officials and such other salaried, full time appointed officials as designated by the Board of Selectmen can participate in the plan on January 1st following or coincident with their commencement of employment with the Town. A participant's employer contribution account fully vests at age 50 or upon termination of employment with the Town. At age 65, participants are entitled to a lump-sum payment as a retirement benefit. The Town is required to contribute 6.0% of each participant's compensation for the year and each participant is required to contribute 2.0% of their compensation. For the year ended June 30, 2023, employer contributions were \$12,025 and employee contributions totaled \$4,008.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - PENSION PLANS *(Continued)*

Defined Contribution Plans *(Continued)*

The second plan is a 401(a) money purchase plan that was established in January 2014. This plan applies to the following groups:

- non-union employees hired on or after December 31, 2013
- park and recreation employees hired on or after June 30, 2014
- police officers hired on or after May 5, 2015
- emergency telecommunicators and police clerical staff hired on or after July 1, 2016
- education paraeducators hired on or after July 1, 2015
- education custodial and maintenance staff hired on or after December 15, 2015
- education secretaries hired on or after November 17, 2015
- education nurses hired on or after July 1, 2017
- public works employees hired after January 1, 2019
- town hall employees hired on or after July 1, 2019

All participants are required to contribute 5.0% of their compensation. The Town contributes 15.0% of each participant's compensation for the year for police and 5.0% of each participant's compensation for the year for all other employees. Participants are 100% vested after one year of service and entitled to benefits at age 59½ and are no longer employed by the Town. For the year ended June 30, 2023, employer contributions were \$272,297 and employee contributions totaled \$202,266.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Town of Newtown Police and Board of Education Other Post-employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the two plans had the following balances reported in the Town's government-wide financial statements:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>OPEB Expense</u>
Town of Newtown Police and Board of Education					
Other Post-employment Benefits Plan	\$ 5,515,922	\$ 1,123,041	\$ 2,503,353	\$ -	\$ 485,136
Connecticut Teachers' Retirement System	-	-	-	824,944	824,944
	<u>\$ 5,515,922</u>	<u>\$ 1,123,041</u>	<u>\$ 2,503,353</u>	<u>\$ 824,944</u>	<u>\$ 1,310,080</u>

Detailed disclosures for each plan follow.

Town and Board of Education Plan

Plan Description

Plan Administration - The Town administers an Other Post-Employment Benefits Plan (the OPEB Plan), which is a single-employer defined benefit healthcare plan. The OPEB Plan provides medical and dental insurance benefits for eligible retirees and their spouses through the Town's group insurance plans, which covers both active and retired members. The OPEB Plan is considered to be part of the Town's financial reporting entity. The OPEB Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Plan Description *(Continued)*

Plan Membership - As of July 1, 2022, the date of the most recent actuarial valuation, membership data was as follows:

Inactive plan members or beneficiaries currently receiving benefits	30
Active plan members	<u>495</u>
	<u>525</u>

Benefits Provided - The plan provides for medical and dental insurance benefits for eligible retirees and their spouses. Benefit provisions are established by State Statutes or through negotiations between the Town and the unions representing Town employees, which are renegotiated each bargaining period. Currently, teachers retiring under the Connecticut State Teachers Retirement System are eligible to receive benefits. Normal retirement for teachers is the earlier of age 60 with 20 years of services, or completion of 35 years of service regardless of age.

Contributions - Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with State Statutes. The Town funds these benefits through contributions to an Other Post-Employment Benefits Trust Fund. Town contributions are based on an actuarially determined amount. Active employees are not required to contribute to the plan, however, retirees are required to contribute 100% of their premium costs to the Town. For the year ended June 30, 2023, the Town's contribution totaled \$436,939, which represented 0.97% of covered payroll.

Summary of Significant Accounting Policies

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

Investments - Investments are generally reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Investment policy - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

Concentrations - The OPEB Plan's investments consist solely of investments in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

Rate of return - For the year ended June 30, 2023, the annual money-weighted rate of return on the OPEB Plan's investments, net of pension plan investment expense was 9.98%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. The components of the net OPEB liability of the OPEB Plan as of June 30, 2023, were as follows:

Total OPEB liability	\$ 9,850,571
Plan fiduciary net position	<u>4,334,649</u>
Net OPEB liability	<u><u>\$ 5,515,922</u></u>
Plan fiduciary net position as a percentage of the total pension liability	44.00%

The components of the change in the net OPEB liability of the Town's OPEB Plan for the year ended June 30, 2023, were as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of June 30, 2022	<u>\$ 8,980,054</u>	<u>\$ 3,742,868</u>	<u>\$ 5,237,186</u>
Changes for the year:			
Service cost	338,089	-	338,089
Interest	595,811	-	595,811
Changes of benefit terms	-	-	-
Changes of assumptions and differences between expected and actual experience	245,132	-	245,132
Contributions - employer	-	436,939	(436,939)
Contributions - retirees' subsidies	-	71,576	(71,576)
Net investment income	-	391,781	(391,781)
Benefit payments	<u>(308,515)</u>	<u>(308,515)</u>	<u>-</u>
Net changes	<u>870,517</u>	<u>591,781</u>	<u>278,736</u>
Balance as of June 30, 2023	<u><u>\$ 9,850,571</u></u>	<u><u>\$ 4,334,649</u></u>	<u><u>\$ 5,515,922</u></u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

Actuarial Assumptions - The Total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.50%
Discount rate	6.50%
Inflation	2.40%
Healthcare cost trend rate:	
Initial	6.50%
Ultimate	4.40%

Mortality rates were based on the Pub-2010 Public Retirement Plans (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021. Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
Core Fixed Income	20.50%	2.40%	0.49%
US Large Cap Equities	25.00%	4.10%	1.03%
US Small Cap Equities	10.00%	3.90%	0.39%
Developed Foreign Equities	18.50%	6.30%	1.17%
Dynamic Bonds	11.00%	3.00%	0.33%
High Yield Bonds	3.50%	4.50%	0.16%
Emerging Markets	6.50%	8.20%	0.53%
Real Assets	5.00%	4.20%	0.21%

Discount rate - The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

Sensitivity of the net OPEB asset to changes in the discount rate - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate of 6.5%, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	Discount Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 6,470,481	\$ 5,515,922	\$ 4,660,414

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 4,395,460	\$ 5,515,922	\$ 6,829,742

OPEB Plan Financial Statements

The following presents the statements of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB plan as of and for the year ended June 30, 2023.

	Other Post-Employment Benefit Trust Fund
ASSETS	
Cash and cash equivalents	\$ 21,174
Investments:	
Mutual funds	4,313,475
Total assets	4,334,649
NET POSITION	
Restricted for other post-employment benefits	\$ 4,334,649

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

OPEB Plan Financial Statements *(Continued)*

	Other Post-Employment Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 200,000
Total contributions	<u>200,000</u>
Investment earnings:	
Interest and dividends	145,233
Net change in the fair value of investments	<u>262,591</u>
	407,824
Less investments fees	<u>(14,859)</u>
Total investment earnings	<u>392,965</u>
Total additions	<u>592,965</u>
DEDUCTIONS	
Benefit payments	-
Administrative expenses	<u>1,184</u>
Total deductions	<u>1,184</u>
Change in net position	591,781
Net position - beginning	<u>3,742,868</u>
Net position - ending	<u><u>\$ 4,334,649</u></u>

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Town recognized OPEB expense of \$485,136. As of June 30, 2023, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferrals
Difference between expected and actual experience	\$ 763,655	\$ 2,275,045	\$ (1,511,390)
Changes of assumptions	186,313	228,308	(41,995)
Difference between projected and actual earnings on OPEB plan investments	<u>173,073</u>	<u>-</u>	<u>173,073</u>
Total	<u><u>\$ 1,123,041</u></u>	<u><u>\$ 2,503,353</u></u>	<u><u>\$ (1,380,312)</u></u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources related to the OPEB Plan will be recognized as a decrease to OPEB expense in future years as follows:

Year ended June 30,	
2024	\$ (133,978)
2025	(152,474)
2026	(38,047)
2027	(203,752)
2028	(175,331)
Thereafter	(676,730)
	<u>\$ (1,380,312)</u>

Connecticut Teachers' Retirement System

Plan Description

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

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

Benefit Provisions

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, with any remaining portion is used to offset the school district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions

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

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

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

Administrative Expenses

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

Basis of Presentation

The components associated with the other post-employment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net OPEB liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

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

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.853% as of the most recent measurement date.

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2022, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 1,603,585,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.853%	<u>\$ 13,686,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$174,266 or 0.853% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the negative collective OPEB expense attributed to the Town totaled \$824,944 or 0.853% of the total collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2023.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Discount rate	3.53%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

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

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Discount Rate

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

NOTE 10 - RISK MANAGEMENT

Insurance

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance, except as disclosed below. During fiscal year 2023 deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town provides medical and dental coverage to eligible employees through a self-insured plan. The Town retains the risk of loss under the plan and claims are processed by a third party administrator. The Town utilizes an internal service fund to report the activities of the plan. The Town contributes based on estimates made using historical data. The Town covers all claims up to \$175,000 per employee per year with a stop-loss policy covering amounts exceeding this limit. The Town has also purchased an aggregate stop-loss policy that would cover claims exceeding 125% of the total estimated claims for the plan year. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported as of year end. This estimate is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

A summary of claims activity for the years ended June 30, 2023 and 2022 are as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2023	\$ 1,388,697	\$ 15,849,812	\$ 15,957,061	\$ 1,281,448
2022	859,000	15,213,647	14,683,950	1,388,697

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - FUND BALANCE

As of June 30, 2023, fund balances have been classified based on the following purposes:

	General Fund	Bonded Projects Fund	Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Edmond Town Hall Trust	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Hawley School Trust	-	-	-	350,000	350,000
Newtown Flagpole Trust	-	-	-	10,000	10,000
Inventories	-	-	-	70,441	70,441
	<u>-</u>	<u>-</u>	<u>-</u>	<u>680,441</u>	<u>680,441</u>
Restricted for:					
General government:					
Edmond Town Hall	-	-	-	852,168	852,168
Historic documents	-	-	-	53,622	53,622
Flag pole	-	-	-	6,134	6,134
Grant programs	-	-	-	76,035	76,035
Public safety:					
Law enforcement programs	-	-	-	46,838	46,838
Health and welfare:					
Education and care of animals	-	-	-	919,853	919,853
Rehabilitation programs	-	-	-	14,410	14,410
Park and recreation:					
Recreation programs	-	-	-	383,965	383,965
Cultural arts programs	-	-	-	193,334	193,334
Education:					
School lunch program	-	-	-	757,762	757,762
Education programs	-	-	-	1,218,537	1,218,537
Hawley School	-	-	-	62,335	62,335
Capital projects (unspent debt proceeds)	-	2,229,740	-	-	2,229,740
	<u>-</u>	<u>2,229,740</u>	<u>-</u>	<u>4,584,993</u>	<u>6,814,733</u>
Committed to:					
General government:					
Edmond Town Hall Theater	-	-	-	494,106	494,106
Fairfield Hills Campus	-	-	-	38,088	38,088
Blight	-	-	-	35,218	35,218
Public safety:					
Animal control	-	-	-	12,422	12,422
Police private duty	-	-	-	23,399	23,399
Public works:					
Septage management	-	-	-	140,234	140,234
Park and recreation:					
Newtown Community Center	-	-	-	5,083,399	5,083,399
Marina operations	-	-	-	557,121	557,121
Teen center programs	-	-	-	79,924	79,924
Education:					
Adult education programs	-	-	-	128,661	128,661
Other programs	-	-	-	67,306	67,306
Capital purposes	-	-	-	5,986,117	5,986,117
Debt service	-	-	-	2,167,325	2,167,325
Senior tax credit program	105,000	-	-	-	105,000
	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>14,813,320</u>	<u>14,918,320</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 - FUND BALANCE *(Continued)*

	General Fund	Bonded Projects Fund	Local Fiscal Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned to:					
Subsequent year's budget	\$ 1,500,680	\$ -	\$ -	\$ -	\$ 1,500,680
Encumbrances - General government	51,619	-	-	-	51,619
Encumbrances - Public safety	30,778	-	-	-	30,778
Encumbrances - Public works	94,787	-	-	-	94,787
Encumbrances - Parks and recreation	12,394	-	-	-	12,394
Encumbrances - Education	986,528	-	-	-	986,528
	<u>2,676,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,676,786</u>
Unassigned	15,482,933	(3,333,812)	-	-	12,149,121
	<u>\$ 18,264,719</u>	<u>\$ (1,104,072)</u>	<u>\$ -</u>	<u>\$ 20,078,754</u>	<u>\$ 37,239,401</u>
					<i>Concluded</i>

Deficit Fund Balance

The Bonded Projects Fund has an unassigned fund balance deficit of \$3,333,812 as of June 30, 2023. The deficit is expected to be eliminated through future bond issuances and or a transfer in from the General Fund.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Federal Awards and State Financial Assistance

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

Litigation, Claims and Assessments

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such matters would not materially affect the financial position of the Town.

NOTE 13 - SUBSEQUENT EVENT

In July 2023, the Town issued \$13,510,000 of general obligation refunding bonds with an interest rate of 5.0%. The Town issued the bonds to advance refund a portion of the Town's outstanding 2015 general obligation refunding bonds in the amount of \$2,805,000 with an interest rate of 4.0%, a portion of the Town's outstanding general obligation bonds in the amount of \$5,100,000, with interest rates ranging from 2.75 % to 3.25%, and a portion of the Town's outstanding general obligation bonds in the amount of \$7,150,000, with interest rates ranging from 3.0% to 3.375%. The Town used the net proceeds of \$15,374,436, including a premium received of \$1,864,436, to purchase U.S. Government securities. These securities were deposited into an irrevocable trust to provide for all future debt service on the refunded bonds. The Town advance refunded the bonds to reduce its total debt service payments over the next 14 years by \$576,289.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
REVENUES				
Property taxes	\$ 116,687,539	\$ 116,687,539	\$ 115,851,960	\$ (835,579)
Intergovernmental	7,680,159	7,680,159	8,430,429	750,270
Charges for goods and services	2,347,340	2,347,340	2,399,431	52,091
Investment income	500,000	500,000	1,896,097	1,396,097
Other	211,000	211,000	268,472	57,472
Total revenues	<u>127,426,038</u>	<u>127,426,038</u>	<u>128,846,389</u>	<u>1,420,351</u>
EXPENDITURES				
Current:				
General government	4,916,875	4,843,905	4,808,381	(35,524)
Public safety	11,191,222	11,059,979	11,030,239	(29,740)
Health and welfare	1,650,239	1,641,289	1,636,809	(4,480)
Planning	911,227	879,227	868,772	(10,455)
Public works	12,043,141	11,735,071	11,679,066	(56,005)
Recreation and leisure	3,955,578	3,944,478	3,937,445	(7,033)
Education	82,134,639	82,134,639	82,134,639	-
Contingency	115,000	2,843	-	(2,843)
Debt service:				
Principal	7,312,861	7,312,861	7,312,861	-
Interest and fiscal charges	2,298,371	2,298,371	2,298,371	-
Total expenditures	<u>126,529,153</u>	<u>125,852,663</u>	<u>125,706,583</u>	<u>(146,080)</u>
Excess of revenues over expenditures	896,885	1,573,375	3,139,806	1,566,431
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	1,300,000	1,300,000	-	(1,300,000)
Cancellation of prior year encumbrances	-	-	160,934	160,934
Transfers in	300,000	300,000	450,000	150,000
Transfers out	(2,496,885)	(3,173,375)	(3,173,369)	6
Total other financing sources (uses)	<u>(896,885)</u>	<u>(1,573,375)</u>	<u>(2,562,435)</u>	<u>(989,060)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,371</u>	<u>\$ 577,371</u>

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY -
TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,547,311	\$ 1,717,082	\$ 1,708,489	\$ 1,579,726	\$ 1,757,544	\$ 1,682,271	\$ 1,470,642	\$ 1,458,028	\$ 1,369,633	\$ 1,376,812
Interest	4,543,504	4,459,697	4,253,575	4,163,460	4,116,599	3,964,240	3,642,643	3,476,233	3,153,241	2,973,226
Differences between expected and actual experience	(1,812,363)	(18,509)	(769,578)	(1,721,108)	(863,332)	(1,369,101)	623,086	(690,374)	(1,273,135)	-
Changes of assumptions	-	-	3,491,022	-	-	-	4,095,514	-	1,589,661	-
Benefit payments, including refunds	(2,955,481)	(2,857,708)	(2,703,122)	(2,560,413)	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)	(1,513,354)
Net change in total pension liability	1,322,971	3,300,562	5,980,386	1,461,665	2,686,321	2,249,687	7,899,406	2,409,163	3,122,387	2,836,684
Total pension liability - beginning	71,642,199	68,341,637	62,361,251	60,899,586	58,213,265	55,963,578	48,064,172	45,655,009	42,532,622	39,695,938
Total pension liability - ending	72,965,170	71,642,199	68,341,637	62,361,251	60,899,586	58,213,265	55,963,578	48,064,172	45,655,009	42,532,622
Plan fiduciary net position										
Contributions - employer	2,251,611	2,477,089	2,474,344	2,377,806	2,243,901	1,885,303	1,687,814	1,422,737	1,375,889	1,189,938
Contributions - members	374,831	391,667	418,325	431,858	457,286	475,316	488,239	474,546	458,556	461,526
Net investment income	5,461,315	(7,568,499)	12,381,008	1,872,506	2,310,752	2,957,771	4,641,117	(991,005)	967,771	4,302,666
Benefit payments, including refunds	(2,955,481)	(2,857,708)	(2,703,122)	(2,560,413)	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)	(1,356,367)
Administrative expense	(59,005)	(66,121)	(44,640)	(59,654)	(65,658)	(36,574)	(27,086)	(17,500)	(74,654)	(170,876)
Net change in plan fiduciary net position	5,073,271	(7,623,572)	12,525,915	2,062,103	2,621,791	3,254,093	4,857,605	(945,946)	1,010,549	4,426,887
Plan fiduciary net position - beginning	52,285,234	59,908,806	47,382,891	45,320,788	42,698,997	39,444,904	34,587,299	35,533,245	34,522,696	30,095,809
Plan fiduciary net position - ending	57,358,505	52,285,234	59,908,806	47,382,891	45,320,788	42,698,997	39,444,904	34,587,299	35,533,245	34,522,696
Town's net pension liability	<u>\$ 15,606,665</u>	<u>\$ 19,356,965</u>	<u>\$ 8,432,831</u>	<u>\$ 14,978,360</u>	<u>\$ 15,578,798</u>	<u>\$ 15,514,268</u>	<u>\$ 16,518,674</u>	<u>\$ 13,476,873</u>	<u>\$ 10,121,764</u>	<u>\$ 8,009,926</u>
Plan fiduciary net position as a percentage of total pension liability	78.61%	72.98%	87.66%	75.98%	74.42%	73.35%	70.48%	71.96%	77.83%	81.17%
Covered payroll	\$ 14,580,545	\$ 15,927,811	\$ 16,652,458	\$ 17,291,083	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368	\$ 17,608,101
Town's net pension liability as a percentage of covered payroll	107.04%	121.53%	50.64%	86.62%	84.68%	82.22%	90.76%	73.08%	57.10%	45.49%

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

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,251,611	\$ 2,477,089	\$ 2,474,343	\$ 2,378,512	\$ 2,243,901	\$ 1,885,303	\$ 1,687,815	\$ 1,422,737	\$ 1,373,207	\$ 1,186,605
Contributions in relation to the actuarially determined contribution	2,251,611	2,477,089	2,474,344	2,377,806	2,243,901	1,885,303	1,687,814	1,422,737	1,375,889	1,189,938
Contribution deficiency (excess)	\$ -	\$ -	\$ (1)	\$ 706	\$ -	\$ -	\$ 1	\$ -	\$ (2,682)	\$ (3,333)
Covered payroll	\$ 14,580,545	\$ 15,927,811	\$ 16,652,458	\$ 17,291,083	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368	\$ 17,608,101
Contributions as a percentage of covered payroll	15.44%	15.55%	14.86%	13.75%	12.20%	9.99%	9.27%	7.71%	7.76%	6.76%
Annual money-weighted rate of return, net of investment expense	10.65%	-12.40%	25.89%	4.26%	5.22%	7.30%	13.30%	-2.83%	2.49%	14.35%

See accompanying notes to required supplementary information.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	<u>156,271,000</u>	<u>127,947,000</u>	<u>161,548,000</u>	<u>144,298,000</u>	<u>111,262,000</u>	<u>116,319,000</u>	<u>122,717,000</u>	<u>99,707,000</u>	<u>92,159,000</u>
Total	<u>\$ 156,271,000</u>	<u>\$ 127,947,000</u>	<u>\$ 161,548,000</u>	<u>\$ 144,298,000</u>	<u>\$ 111,262,000</u>	<u>\$ 116,319,000</u>	<u>\$ 122,717,000</u>	<u>\$ 99,707,000</u>	<u>\$ 92,159,000</u>
Town's covered payroll	\$ 39,015,000	\$ 38,580,000	\$ 37,313,000	\$ 37,101,000	\$ 36,526,000	\$ 36,869,000	\$ 35,536,000	\$ 37,062,000	\$ 35,722,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$ 338,089	\$ 323,840	\$ 304,607	\$ 298,573	\$ 310,817	\$ 301,764	\$ 292,975
Interest	595,811	547,772	583,181	546,188	625,860	607,177	568,628
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	490,105	359,350	(978,697)	(184,508)	(1,800,782)	(363,565)	(397,054)
Changes of assumptions	(244,973)	-	167,785	-	84,984	-	-
Benefit payments, including refunds	(308,515)	(697,640)	68,390	(298,897)	(476,145)	(85,531)	(109,120)
Net change in total OPEB liability	870,517	533,322	145,266	361,356	(1,255,266)	459,845	355,429
Total OPEB liability - beginning	8,980,054	8,446,732	8,301,466	7,940,110	9,195,376	8,735,531	8,380,102
Total OPEB liability - ending	9,850,571	8,980,054	8,446,732	8,301,466	7,940,110	9,195,376	8,735,531
Plan fiduciary net position							
Contributions - employer	436,939	855,666	93,853	458,377	633,528	285,531	255,287
Contributions - retirees' subsidies	71,576	41,974	37,757	40,520	42,617	-	53,833
Net investment income	391,781	(555,706)	788,694	103,577	140,697	164,582	241,743
Benefit payments, including refunds	(308,515)	(697,640)	68,390	(298,897)	(331,602)	(230,074)	(109,120)
Net change in plan fiduciary net position	591,781	(355,706)	988,694	303,577	485,240	220,039	441,743
Plan fiduciary net position - beginning	3,742,868	4,098,574	3,109,880	2,806,303	2,321,063	2,101,024	1,659,281
Plan fiduciary net position - ending	4,334,649	3,742,868	4,098,574	3,109,880	2,806,303	2,321,063	2,101,024
Town's net OPEB liability	\$ 5,515,922	\$ 5,237,186	\$ 4,348,158	\$ 5,191,586	\$ 5,133,807	\$ 6,874,313	\$ 6,634,507
Plan fiduciary net position as a percentage of total OPEB liability	44.00%	41.68%	48.52%	37.46%	35.34%	25.24%	24.05%
Covered payroll	\$ 44,910,169	\$ 42,807,547	\$ 41,804,245	\$ 37,562,912	\$ 36,468,847	\$ 38,408,893	\$ 37,290,187
Town's net OPEB liability as a percentage of covered payroll	12.28%	12.23%	10.40%	13.82%	14.08%	17.90%	17.79%

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

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST SEVEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 771,090	\$ 756,377	\$ 782,270	\$ 768,072	\$ 874,889	\$ 865,530	\$ 814,292
Contributions in relation to the actuarially determined contribution**	436,939	855,666	93,853	458,377	633,528	285,531	255,287
Contribution deficiency (excess)	<u>\$ 334,151</u>	<u>\$ (99,289)</u>	<u>\$ 688,417</u>	<u>\$ 309,695</u>	<u>\$ 241,361</u>	<u>\$ 579,999</u>	<u>\$ 559,005</u>
Covered payroll	\$ 44,910,169	\$ 42,807,547	\$ 41,804,245	\$ 37,562,912	\$ 36,468,847	\$ 38,408,893	\$ 37,290,187
Contributions as a percentage of covered payroll	0.97%	2.00%	0.22%	1.22%	1.74%	0.74%	0.68%
Annual money-weighted rate of return, net of investment expense	9.98%	-12.97%	23.96%	3.46%	5.31%	7.21%	13.64%

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

** Contributions include amounts contributed directly into the OPEB Trust and amounts paid by the Town's Healthcare Internal Service Fund.

See accompanying notes to required supplementary information.

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

	2023	2022	2021	2020	2019	2018
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	13,686,000	13,940,000	24,095,000	22,504,000	22,242,000	29,939,000
Total	<u>\$ 13,686,000</u>	<u>\$ 13,940,000</u>	<u>\$ 24,095,000</u>	<u>\$ 22,504,000</u>	<u>\$ 22,242,000</u>	<u>\$ 29,939,000</u>
Town's covered payroll	\$ 40,076,000	\$ 38,046,000	\$ 38,046,000	\$ 37,101,000	\$ 36,526,000	\$ 36,869,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

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

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund (the only fund for which a legal budget is adopted) financial statements:

By February 1st	All Town departments, except the School System, submit the budget requests to the Board of Selectmen.
By February 14th	The Board of Selectmen reviews budgets with department heads and makes revisions and submits Selectmen's budget to the Board of Finance.
By the first Wednesday in March	The Board of Finance holds a public hearing on the budget and reviews and makes revisions.
By March 14th	The Board of Finance submits the Town of Newton budget to the Legislative Council.
By the last Wednesday in March	The Legislative Council holds a public hearing on the budget and makes final revisions.
On the fourth Tuesday in April	The Annual Budget Referendum is presented the budget and vote for adoption.

- Within the first 335 days of the fiscal year, the First Selectman and Financial Director, in accordance with the provisions of the Town's charter, are authorized to transfer budgeted appropriations within a department up to \$50,000. All transfers within a department that exceed the sum of \$50,000 shall require the approval of the Board of Finance. The Board of Finance may transfer any unencumbered appropriation from one department to another up to \$200,000. All transfers between departments, which exceed the sum of \$200,000 as well as all contingency transfers, shall require the approval of the Legislative Council. After 335 days, the Legislative Council approves all transfers. The Legislative Council may approve special and/or emergency appropriations up to an aggregate of \$1,500,000 for any one purpose per year. Special and/or emergency appropriations in excess of an amount equal to one mil on the most recently completed grand list shall be recommended by the Legislative Council to the Town referendum. During the year ended June 30, 2023, no additional appropriations were authorized.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Legislative Council and, if necessary, Town Meeting approval.
- Formal budgetary integration is employed as a management control device during the year. The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Budgetary Information *(Continued)*

- Generally, all unencumbered appropriations lapse at year end except those for capital projects funds. Appropriations for capital projects are continued until completion of applicable projects even when projects extend more than one fiscal year. Encumbered appropriations in the General Fund are not re-appropriated in the ensuing year's budget, but are carried forward.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects fund. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2023:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 128,846,389	\$ 125,706,583	\$ (2,562,435)	\$ 577,371
"On-behalf" payments -				
State Teachers Retirement Fund	12,495,140	12,495,140	-	-
Encumbrances:				
June 30, 2023	-	(1,144,338)	-	1,144,338
June 30, 2022	-	1,005,560	-	(1,005,560)
Cancellation of prior year encumbrances	-	-	(160,934)	(160,934)
Reimbursement for certain costs recorded as a reduction to expenditures for budgetary purposes	342,368	342,368	-	-
Unrealized gains on certificates of deposit to be held to maturity	(233,593)	-	-	(233,593)
Certain items recorded as transfers for budgetary purposes	(45,000)	(189,565)	(144,565)	-
GAAP basis	<u>\$ 141,405,304</u>	<u>\$ 138,215,748</u>	<u>\$ (2,867,934)</u>	<u>\$ 321,622</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Capital Project Authorizations

The following is a summary of authorized capital projects, cumulative expenditures through June 30, 2023 and the balance as of June 30, 2023:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Library Improvements	\$ 273,000	\$ 273,000	\$ -
Bridge program	2,165,000	2,154,723	10,277
South Main/Mile Hill Sidewalk	1,175,600	1,131,654	43,946
Toddy Hill Road	2,596,000	1,860,712	735,288
Sandy Hook Permanent Memorial	3,950,000	3,886,976	63,024
Library Improvements Phase II	300,000	79,043	220,957
Emergency Radio System	7,541,933	5,991,170	1,550,763
NHS Stadium Turf	765,000	765,000	-
Edmond Town Hall Exterior Improvements	268,000	268,000	-
Hawley HVAC	8,000,000	6,887,802	1,112,198
High School HVAC	2,050,000	843,825	1,206,175
High School Football Field Reconstruction	781,000	751,620	29,380
Head O'Meadow Boiler	424,500	424,000	500
Municipal Center Roof	1,550,000	-	1,550,000
Middle School HVAC Improvements	450,000	-	450,000
Head O'Meadow Condensing	600,000	-	600,000
Glen Road Clean Up	850,000	33,404	816,596
Fire Apparatus	500,000	500,000	-
Edmond Town Hall Improvements	600,000	429,667	170,333
Library Improvements - 2023	200,000	85,130	114,870
	<u>\$ 35,040,033</u>	<u>\$ 26,365,726</u>	<u>\$ 8,674,307</u>

NOTE 2 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - TOWN OF NEWTOWN RETIREMENT SYSTEM

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2022.

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

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the total pension liability reported as of June 30, 2023.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENTS RETURNS - TOWN OF NEWTOWN RETIREMENT SYSTEM

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

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2023:

Actuarial cost method:	Entry Age Normal
Amortization method:	Closed level dollar method; 20 Year amortization of initial base, future gains and losses over 10 years
Remaining amortization period:	20 years (as of July 1, 2017)
Asset valuation method:	5-year smoothed market
Inflation:	2.00%
Investment rate of return, including inflation:	6.50%, net of pension plan investment expenses
Salary increases, including inflation:	3.00%
Retirement age:	Normal Retirement Date or on Valuation Date if past normal retirement date

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit changes - There were no benefit term changes that have had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

Assumption Changes - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER-POST EMPLOYMENT BENEFITS PLAN

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

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2022.

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

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2023.

NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER-POST EMPLOYMENT BENEFITS PLAN

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

The July 1, 2022 Actuarial Valuation directly calculated the July 1, 2022 Total OPEB Liability (TOL). The July 1, 2022 TOL was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2023.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2023:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of salary, closed
Remaining amortization period:	18 years (as of July 1, 2022)
Asset valuation method:	Market Value
Inflation:	2.40%
Investment rate of return:	6.50%
Healthcare cost trend rates:	6.50%, current 4.40%, final
Mortality:	
Certified employees	Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

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

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2022. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2023.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.
- The expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.
- The expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Property Taxes:				
Collections - current year	\$ 114,490,539	\$ 114,490,539	\$ 113,499,731	\$ (990,808)
Collections - prior years	600,000	600,000	584,836	(15,164)
Interest and lien fees	400,000	400,000	461,003	61,003
Motor vehicle supplement list	1,150,000	1,150,000	1,256,308	106,308
Telecommunications property tax	47,000	47,000	50,082	3,082
Total property taxes	<u>116,687,539</u>	<u>116,687,539</u>	<u>115,851,960</u>	<u>(835,579)</u>
Intergovernmental:				
Veterans additional exemptions	16,059	16,059	10,653	(5,406)
In lieu of taxes	688,381	688,381	686,203	(2,178)
Totally disabled	1,398	1,398	1,399	1
Town aid for roads	470,552	470,552	466,459	(4,093)
Grants for municipal projects	235,371	235,371	235,371	-
Municipal Stabilization Grant	267,960	267,960	267,960	-
Mashantucket Pequot fund grant	829,098	829,098	829,098	-
Education cost-sharing grant	4,495,691	4,495,691	4,484,684	(11,007)
Health services - St. Rose	22,170	22,170	29,997	7,827
LOCIP grant	207,217	207,217	203,377	(3,840)
State revenue sharing	421,262	421,262	549,955	128,693
Other grants	25,000	25,000	665,273	640,273
Total intergovernmental	<u>7,680,159</u>	<u>7,680,159</u>	<u>8,430,429</u>	<u>750,270</u>
Charges for Services:				
Town clerk - conveyance tax	600,000	600,000	583,247	(16,753)
Town clerk - other	225,000	225,000	190,229	(34,771)
Parks and recreation	215,000	215,000	304,170	89,170
Tuition	32,340	32,340	37,620	5,280
School generated fees	30,000	30,000	30,000	-
Building	550,000	550,000	612,520	62,520
Permit fees	5,000	5,000	1,625	(3,375)
Transfer Station permits	475,000	475,000	441,208	(33,792)
WPCA	135,000	135,000	135,000	-
Senior center membership fees	20,000	20,000	13,151	(6,849)
Land use	60,000	60,000	50,661	(9,339)
Total charges for services	<u>2,347,340</u>	<u>2,347,340</u>	<u>2,399,431</u>	<u>52,091</u>
Investment Income	<u>500,000</u>	<u>500,000</u>	<u>1,896,097</u>	<u>1,396,097</u>
Other Revenues:				
Miscellaneous - Police	30,000	30,000	27,002	(2,998)
Miscellaneous - Board of Education	6,000	6,000	97,134	91,134
Miscellaneous - Selectmen	175,000	175,000	144,336	(30,664)
Total other revenues	<u>211,000</u>	<u>211,000</u>	<u>268,472</u>	<u>57,472</u>
Total revenues	<u>127,426,038</u>	<u>127,426,038</u>	<u>128,846,389</u>	<u>1,420,351</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Other Financing Sources:				
Appropriation of fund balance	\$ 1,300,000	\$ 1,300,000	\$ -	\$ (1,300,000)
Cancellation of prior year encumbrances	-	-	160,934	160,934
Transfers in	300,000	300,000	450,000	150,000
Total other financing sources	<u>1,600,000</u>	<u>1,600,000</u>	<u>610,934</u>	<u>(989,066)</u>
Total revenues and other financing sources	<u>\$ 129,026,038</u>	<u>\$ 129,026,038</u>	<u>\$ 129,457,323</u>	<u>\$ 431,285</u> <i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
General Government:				
Selectmen	\$ 453,069	\$ 444,069	\$ 442,071	\$ (1,998)
Selectmen - other	160,100	171,650	166,584	(5,066)
Human Resources	124,849	126,649	126,531	(118)
Tax Collector	406,439	397,719	394,428	(3,291)
Purchasing	77,319	76,319	75,298	(1,021)
Probate Court	8,572	8,672	8,581	(91)
Town Clerk	312,829	312,029	310,050	(1,979)
Registrars	172,618	169,618	167,192	(2,426)
Assessor	346,593	344,593	339,374	(5,219)
Finance	567,517	567,617	566,521	(1,096)
Technology	817,934	774,934	770,802	(4,132)
Unemployment	8,000	5,000	4,137	(863)
OPEB contribution	184,113	184,113	184,113	-
Professional organizations	41,108	41,108	40,424	(684)
Insurance	1,143,515	1,127,515	1,123,325	(4,190)
Legislative Council	47,000	47,000	47,000	-
District contributions	5,000	5,000	1,950	(3,050)
Sustainable Energy Commission	300	300	-	(300)
Fairfield Hills	40,000	40,000	40,000	-
Total General Government	4,916,875	4,843,905	4,808,381	(35,524)
Public Safety:				
Building Department	440,766	439,966	436,917	(3,049)
Emergency communications	1,233,847	1,199,147	1,192,485	(6,662)
Police	7,519,522	7,386,622	7,382,705	(3,917)
Fire	1,422,576	1,472,876	1,464,328	(8,548)
Emergency management/N.U.S.A.R.	64,445	42,445	37,375	(5,070)
Animal Control	174,491	172,191	170,048	(2,143)
Lake authorities	53,735	64,892	64,892	-
N.W. safety communications	11,590	11,590	11,489	(101)
Emergency medical services	270,000	270,000	270,000	-
Northwest CT Emergency Medical Services	250	250	-	(250)
Total Public Safety	11,191,222	11,059,979	11,030,239	(29,740)
Health and Welfare:				
Social services	335,727	342,477	342,195	(282)
Senior services	349,388	337,988	334,096	(3,892)
Outside agencies	226,798	229,498	229,401	(97)
Youth & Family services	303,447	303,447	303,447	-
Newtown Health District	434,879	427,879	427,670	(209)
Total Health and Welfare	1,650,239	1,641,289	1,636,809	(4,480)

Continued

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Planning:				
Land Use	\$ 740,542	\$ 725,542	\$ 717,995	\$ (7,547)
Economic and Community Development	140,809	125,809	123,738	(2,071)
Grants administration	28,836	27,836	27,039	(797)
N.W. Conservation District	1,040	40	-	(40)
Total Planning	911,227	879,227	868,772	(10,455)
Public Works:				
Highway	8,638,503	8,419,133	8,399,134	(19,999)
Winter maintenance	677,071	686,071	684,357	(1,714)
Transfer station	1,823,516	1,804,716	1,783,874	(20,842)
Public building maintenance	904,051	825,151	811,701	(13,450)
Total Public Works	12,043,141	11,735,071	11,679,066	(56,005)
Recreation and Leisure:				
Parks and Recreation	2,546,557	2,533,957	2,527,037	(6,920)
Booth Library	1,407,621	1,408,921	1,408,823	(98)
Newtown Parade Committee	1,400	1,600	1,585	(15)
Total Recreation and Leisure	3,955,578	3,944,478	3,937,445	(7,033)
Education	82,134,639	82,134,639	82,134,639	-
Contingency	115,000	2,843	-	(2,843)
Debt Service:				
Principal	7,312,861	7,312,861	7,312,861	-
Interest and fiscal charges	2,298,371	2,298,371	2,298,371	-
Total Debt Service	9,611,232	9,611,232	9,611,232	-
Other Financing Uses:				
Transfers out:				
Edmond Town Hall Fund	196,885	196,885	196,879	(6)
Capital and Nonrecurring Fund - Town	2,300,000	2,717,000	2,717,000	-
Other Funds	-	259,490	259,490	-
Total Other Financing Uses	2,496,885	3,173,375	3,173,369	(6)
Total Expenditures and Other Financing Uses	\$ 129,026,038	\$ 129,026,038	\$ 128,879,952	\$ (146,086)
				<i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2023

Grand List Year	Balance Uncollected June 30, 2022	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2023
			Additions	Deductions			Taxes	Interest Liens and Fees	Total	
2021	\$ -	\$ 116,146,231	\$ 395,743	\$ 600,888	\$ 191,077	\$ 115,750,009	\$ 114,756,039	\$ 295,585	\$ 115,051,624	\$ 993,970
2020	718,869	-	80,781	158,395	52,424	588,831	326,382	90,637	417,019	262,449
2019	227,239	-	7,381	4,282	7,028	223,310	75,128	13,796	88,924	148,182
2018	153,556	-	212	1,621	840	151,307	8,169	5,893	14,062	143,138
2017	147,040	-	224	-	331	146,933	7,114	7,552	14,666	139,819
2016	138,048	-	129	-	326	137,851	10,883	6,516	17,399	126,968
2015	122,833	-	152	-	471	122,514	2,087	2,301	4,388	120,427
2014	118,930	-	-	-	-	118,930	1,906	3,380	5,286	117,024
2013	109,154	-	-	-	-	109,154	7,553	14,808	22,361	101,601
2012	87,295	-	-	-	-	87,295	158	1,313	1,471	87,137
2011	120,135	-	-	-	-	120,135	308	334	642	119,827
2010	115,438	-	-	-	-	115,438	94	232	326	115,344
2009	109,466	-	-	-	-	109,466	1,682	4,594	6,276	107,784
2008	99,800	-	-	-	-	99,800	1,029	6,184	7,213	98,771
2007 and prior	108,515	-	-	14,629	-	93,886	2,770	7,217	9,987	91,116
	<u>\$ 2,376,318</u>	<u>\$ 116,146,231</u>	<u>\$ 484,622</u>	<u>\$ 779,815</u>	<u>\$ 252,497</u>	<u>\$ 117,974,859</u>	<u>\$ 115,201,302</u>	<u>\$ 460,342</u>	<u>\$ 115,661,644</u>	<u>\$ 2,773,557</u>

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2023

Total cash collections for the year ended
June 30, 2023:

Town:	
Taxes	\$ 115,201,302
Interest and lien fees	460,342
Subtotal	<u>115,661,644</u>
Newtown Borough:	
Taxes	202,238
Interest and lien fees	1,061
Subtotal	<u>203,299</u>
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	-
Base	<u><u>\$ 115,864,943</u></u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 260,696,122	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	521,392,244	-	-	-
3-3/4 times base	-	-	434,493,536	-	-
3-1/4 times base	-	-	-	376,561,065	-
3 times base	-	-	-	-	347,594,829
Total debt limitation	<u>260,696,122</u>	<u>521,392,244</u>	<u>434,493,536</u>	<u>376,561,065</u>	<u>347,594,829</u>
Indebtedness:					
Bonds payable	53,322,400	28,646,600	2,476,000	-	-
Notes payable*	-	-	-	-	-
Authorized and unissued debt	<u>2,677,933</u>	<u>6,274,500</u>	<u>530,000</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>56,000,333</u>	<u>34,921,100</u>	<u>3,006,000</u>	<u>-</u>	<u>-</u>
Less: Self-supporting sewer debt	<u>-</u>	<u>-</u>	<u>2,476,000</u>	<u>-</u>	<u>-</u>
Total and net indebtedness	<u>56,000,333</u>	<u>34,921,100</u>	<u>530,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 204,695,789</u></u>	<u><u>\$ 486,471,144</u></u>	<u><u>\$ 433,963,536</u></u>	<u><u>\$ 376,561,065</u></u>	<u><u>\$ 347,594,829</u></u>
Total capacity of borrowing (7 times base)	\$ 811,054,601				
Total present indebtedness	<u>91,451,433</u>				
Margin for additional borrowing	<u><u>\$ 719,603,168</u></u>				

* State law excludes debt issued for water projects in the amount \$25,786 of from the Town's aggregate debt calculation.

SEWER FUND

The Sewer Fund accounts for the operations of the sewer department.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLES
FOR THE YEAR ENDED JUNE 30, 2023

	Uncollected Assessments July 1, 2022	Additions	Deductions	Adjusted Assessments Collectible	Collections	Uncollected Assessments June 30, 2023
Sewer assessments receivables	\$ 3,244,810	\$ -	\$ -	\$ 3,244,810	\$ 160,635	\$ 3,084,175
	<u>\$ 3,244,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,244,810</u>	<u>\$ 160,635</u>	<u>3,084,175</u>
					Penalty, interest and liens	<u>120,144</u>
					Gross receivable	<u>3,204,319</u>
					Less: allowance for uncollectible accounts	<u>74,185</u>
					Net receivable	<u>\$ 3,130,134</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each special revenue fund is as follows:

Dog License Fund - A fund created pursuant to Connecticut State Statutes to account for the sale of dog tags and the expenditures of the dog warden and dog pound.

Blight Fund - A fund created pursuant to Town Ordinance to account for properties in disrepair. The Blight fund is a function of the Land Use department.

Police Private Duty - To account for police private duty services. Private duty is a function of the police department where officers provide security, traffic control and oversight (after their normal hours). A private job is billed to the customer who requires a police presence and the officer serving is paid in addition to standard salary.

Town Gifts Fund - To account for funds received for specific gift purposes by the Board of Education, Commission on Aging, Economic Development Commission, N.U.S.A.R. Civil Preparedness and the Park Commission.

School Lunch Program Fund - To account for the operation of the public school lunch program. Funding is provided from the sale of food, Federal and State grant and USDA donated commodities.

Education Grants Fund - To account for funds received from the state and Federal governments, private grants and other contributions for education grants.

Law Enforcement Fund - To account for funds received from the State and Federal governments for prison emergency notification, drug control and awareness program and from the police assets forfeiture process.

Septage Management Ordinance Fund - A fund created by ordinance to account for funds received for the purpose of self-insuring the Town against any liability caused by the discharge of prohibited material collected in Newtown and delivered to the Danbury sewage system by pumpers licensed to Newtown.

Fairfield Hills Authority Fund - To account for lease proceeds and common charges collected on the Fairfield Hills Campus. Funds are used for the maintenance of the common areas and other expenditures of the Fairfield Hills Authority.

School Custodial Fund - To account for fees received for the use of school facilities by outside organizations. The proceeds are used to pay for custodial service, security, audio visual services, utilities and certain incremental building maintenance.

Adult Education Fund - To account for tuition fees received from individuals attending night classes at the high school. Tuition fees offset the cost of teaching and instructional materials.

Police Benevolent Fund - To account for funds held to benefit the Police Benevolent Association.

Edmond Town Hall Fund - To account for the operations of the Edmond Town Hall. Financing is provided by individuals attending the movie theater and fees received for the use of the facilities by outside organizations.

NONMAJOR GOVERNMENTAL FUNDS *(Continued)*

SPECIAL REVENUE FUNDS *(Continued)*

Newtown Community Center Fund - To account for the operations of the new community center.

Town Recreation Fund - To account for various programs offered by the Park and Recreation Commission and the Commission on Aging and the operations of the Teen Center for which financing is provided by individuals in attendance.

Miscellaneous Grants Fund - To account for various reimbursement grants.

Small Cities Program Fund - To record the activity under the Small Cities Community Block Grant Program.

Board of Education Flex Plan Fund - To account for employee medical savings account.

Student Activities Fund - To account for expenditures for educational extracurricular activities at the various schools. Financing is provided by individual fundraising projects.

Waterfront Fund - To account for using revenues from the operations of waterfront properties (Eichler's Cove and Lake Lillinonah) for waterfront property operational and capital expenditures.

Historic Documents Fund - To account for a dollar fee received for each document recorded in the land records to be retained by the Town clerk for the preservation and management of historic documents in accordance with State Statute Section 7-34a(d); and an additional dollar fee to be retained by the Town clerk in accordance with State Statute Section 7-34a(e).

Cultural Arts Fund - To account for cultural arts program fees collected. These fees pay for the cultural arts program of the Cultural Arts Commission.

DEBT SERVICE FUND

This fund is used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs or other long-term liabilities.

CAPITAL PROJECTS FUND

Capital and Nonrecurring Fund - To account for funds set aside for future capital purchases and improvements.

NONMAJOR GOVERNMENTAL FUNDS *(Continued)*

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Hawley School Trust Fund - To account for the investment of funds left in trusts by Mary E. Hawley for the care and maintenance of Hawley School.

Edmond Town Hall Endowment Fund - To account of the investment of funds left in trust by Mary E. Hawley for the care and maintenance of the Edmond Town Hall.

Newtown Flagpole Fund - To account for the investment of funds left in trust by Alida Pennie Knotts for the care and maintenance of the Newtown flagpole.

The V.G. Hair and Frances E. Hair Fund - To account for investment of funds left in trust by Frances E. Hair for the care and education relating to animals.

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
AS OF JUNE 30, 2023

		Capital Projects Fund			
	Special Revenue Funds	Capital and Nonrecurring Fund	Debt Service Fund	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,348,100	\$ 299,287	\$ -	\$ 52,058	\$ 5,699,445
Investments	2,760,261	-	-	2,377,402	5,137,663
Receivables:					
Grants and contracts	620,471	-	-	-	620,471
Loans	244,431	-	-	-	244,431
Other	26,114	-	-	-	26,114
Due from other funds	2,463,529	5,682,164	2,167,325	30,393	10,343,411
Other	70,441	10,668	-	-	81,109
Total assets	<u>\$ 11,533,347</u>	<u>\$ 5,992,119</u>	<u>\$ 2,167,325</u>	<u>\$ 2,459,853</u>	<u>\$ 22,152,644</u>
LIABILITIES					
Accounts payable	\$ 330,546	\$ 6,002	\$ -	\$ -	\$ 336,548
Due to other funds	504,703	-	-	9,363	514,066
Unearned revenue	978,845	-	-	-	978,845
Total liabilities	<u>1,814,094</u>	<u>6,002</u>	<u>-</u>	<u>9,363</u>	<u>1,829,459</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>244,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,431</u>
FUND BALANCES					
Nonspendable	70,441	-	-	610,000	680,441
Restricted	2,744,503	-	-	1,840,490	4,584,993
Committed	6,659,878	5,986,117	2,167,325	-	14,813,320
Total fund balances	<u>9,474,822</u>	<u>5,986,117</u>	<u>2,167,325</u>	<u>2,450,490</u>	<u>20,078,754</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,533,347</u>	<u>\$ 5,992,119</u>	<u>\$ 2,167,325</u>	<u>\$ 2,459,853</u>	<u>\$ 22,152,644</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Fund Capital and Nonrecurring Fund	Debt Service Fund	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental	\$ 6,619,752	\$ 1,928	\$ -	\$ -	\$ 6,621,680
Charges for services	7,756,852	206,972	-	-	7,963,824
Investment income	140,995	478	-	176,468	317,941
Other	1,705,853	605,421	-	375	2,311,649
Total revenues	<u>16,223,452</u>	<u>814,799</u>	<u>-</u>	<u>176,843</u>	<u>17,215,094</u>
EXPENDITURES					
Current:					
General government	935,321	-	-	70,833	1,006,154
Public safety	1,044,961	-	-	45,288	1,090,249
Health and welfare	386,232	-	-	-	386,232
Parks and recreation	2,576,372	-	-	-	2,576,372
Education	8,642,988	-	-	57,512	8,700,500
Debt service:					
Principal	26,463	-	80,000	-	106,463
Interest and fiscal charges	9,537	-	456,783	-	466,320
Capital outlays	149,739	1,967,816	-	-	2,117,555
Total expenditures	<u>13,771,613</u>	<u>1,967,816</u>	<u>536,783</u>	<u>173,633</u>	<u>16,449,845</u>
Excess (deficiency) of revenues over expenditures	2,451,839	(1,153,017)	(536,783)	3,210	765,249
OTHER FINANCING SOURCES (USES)					
Premium on bonds issued	-	-	433,389	-	433,389
Transfers in	204,363	2,899,081	9,666	-	3,113,110
Transfers out	(495,000)	-	-	-	(495,000)
Total other financing sources (uses)	<u>(290,637)</u>	<u>2,899,081</u>	<u>443,055</u>	<u>-</u>	<u>3,051,499</u>
Net change in fund balances	2,161,202	1,746,064	(93,728)	3,210	3,816,748
Fund balances - beginning	<u>7,313,620</u>	<u>4,240,053</u>	<u>2,261,053</u>	<u>2,447,280</u>	<u>16,262,006</u>
Fund balances - ending	<u>\$ 9,474,822</u>	<u>\$ 5,986,117</u>	<u>\$ 2,167,325</u>	<u>\$ 2,450,490</u>	<u>\$ 20,078,754</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2023

	Dog License Fund	Blight Fund	Police Private Duty Fund	Town Gifts Fund	School Lunch Program Fund	Education Grants Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 12,471	\$ 582,157	\$ 647,816
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	335,528	142,001
Loans	-	-	-	-	-	-
Other	-	-	-	-	4,065	2,411
Due from other funds	12,422	35,218	23,399	374,270	-	-
Other	-	-	-	-	70,441	-
Total assets	<u>\$ 12,422</u>	<u>\$ 35,218</u>	<u>\$ 23,399</u>	<u>\$ 386,741</u>	<u>\$ 992,191</u>	<u>\$ 792,228</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 2,776	\$ 113,005	\$ 38,912
Due to other funds	-	-	-	-	1,039	139,088
Unearned revenue	-	-	-	-	49,944	283,306
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,776</u>	<u>163,988</u>	<u>461,306</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	70,441	-
Restricted	-	-	-	383,965	757,762	330,922
Committed	12,422	35,218	23,399	-	-	-
Total fund balances	<u>12,422</u>	<u>35,218</u>	<u>23,399</u>	<u>383,965</u>	<u>828,203</u>	<u>330,922</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,422</u>	<u>\$ 35,218</u>	<u>\$ 23,399</u>	<u>\$ 386,741</u>	<u>\$ 992,191</u>	<u>\$ 792,228</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
AS OF JUNE 30, 2023

	Law Enforcement Fund	Septage Management Ordinance Fund	Fairfield Hills Authority Fund	School Custodial Fund	Adult Education Fund	Police Benevolent Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 67,306	\$ 131,513	\$ 249
Investments	-	76,410	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other	-	-	8,750	-	-	-
Due from other funds	46,589	63,824	29,338	-	-	-
Other	-	-	-	-	-	-
Total assets	<u>\$ 46,589</u>	<u>\$ 140,234</u>	<u>\$ 38,088</u>	<u>\$ 67,306</u>	<u>\$ 131,513</u>	<u>\$ 249</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,064	\$ -
Due to other funds	-	-	-	-	1,788	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,852</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	46,589	-	-	-	-	249
Committed	-	140,234	38,088	67,306	128,661	-
Total fund balances	<u>46,589</u>	<u>140,234</u>	<u>38,088</u>	<u>67,306</u>	<u>128,661</u>	<u>249</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,589</u>	<u>\$ 140,234</u>	<u>\$ 38,088</u>	<u>\$ 67,306</u>	<u>\$ 131,513</u>	<u>\$ 249</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
AS OF JUNE 30, 2023

	Edmond Town Hall Fund	Newtown Community Center Fund	Town Recreation Fund	Miscellaneous Grants Fund	Small Cities Program Fund	Board of Education Flex Spending Plan Fund	Student Activities Fund
ASSETS							
Cash and cash equivalents	\$ 430,558	\$ 2,526,306	\$ 146,168	\$ -	\$ 14,732	\$ 24,644	\$ 692,937
Investments	402,542	1,959,200	-	-	-	-	196,241
Receivables:							
Grants and contracts	-	-	-	142,942	-	-	-
Loans	-	-	-	-	244,431	-	-
Other	10,888	-	-	-	-	-	-
Due from other funds	-	935,798	316,356	12,101	-	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 843,988</u>	<u>\$ 5,421,304</u>	<u>\$ 462,524</u>	<u>\$ 155,043</u>	<u>\$ 259,163</u>	<u>\$ 24,644</u>	<u>\$ 889,178</u>
LIABILITIES							
Accounts payable	\$ 12,593	\$ 45,900	\$ 69,582	\$ 39,466	\$ -	\$ -	\$ -
Due to other funds	336,259	-	-	-	322	-	26,207
Unearned revenue	1,030	292,005	313,018	39,542	-	-	-
Total liabilities	<u>349,882</u>	<u>337,905</u>	<u>382,600</u>	<u>79,008</u>	<u>322</u>	<u>-</u>	<u>26,207</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	244,431	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	76,035	14,410	24,644	862,971
Committed	494,106	5,083,399	79,924	-	-	-	-
Total fund balances	<u>494,106</u>	<u>5,083,399</u>	<u>79,924</u>	<u>76,035</u>	<u>14,410</u>	<u>24,644</u>	<u>862,971</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 843,988</u>	<u>\$ 5,421,304</u>	<u>\$ 462,524</u>	<u>\$ 155,043</u>	<u>\$ 259,163</u>	<u>\$ 24,644</u>	<u>\$ 889,178</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
AS OF JUNE 30, 2023

	Waterfront Fund	Historic Documents Fund	Cultural Arts Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 24,432	\$ -	\$ 46,811	\$ 5,348,100
Investments	-	-	125,868	2,760,261
Receivables:				
Grants and contracts	-	-	-	620,471
Loans	-	-	-	244,431
Other	-	-	-	26,114
Due from other funds	537,438	53,622	23,154	2,463,529
Other	-	-	-	70,441
Total assets	<u>\$ 561,870</u>	<u>\$ 53,622</u>	<u>\$ 195,833</u>	<u>\$ 11,533,347</u>
LIABILITIES				
Accounts payable	\$ 4,749	\$ -	\$ 2,499	\$ 330,546
Due to other funds	-	-	-	504,703
Unearned revenue	-	-	-	978,845
Total liabilities	<u>4,749</u>	<u>-</u>	<u>2,499</u>	<u>1,814,094</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	244,431
FUND BALANCES				
Nonspendable	-	-	-	70,441
Restricted	-	53,622	193,334	2,744,503
Committed	557,121	-	-	6,659,878
Total fund balances	<u>557,121</u>	<u>53,622</u>	<u>193,334</u>	<u>9,474,822</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 561,870</u>	<u>\$ 53,622</u>	<u>\$ 195,833</u>	<u>\$ 11,533,347</u>
				<i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Dog License Fund	Blight Fund	Police Private Duty Fund	Town Gifts Fund	School Lunch Program Fund	Education Grants Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,787,306	\$ 4,100,437
Charges for services	17,444	-	1,406,702	-	849,673	527,975
Investment income (loss)	-	-	-	-	-	-
Other	6,176	-	-	170,370	3,730	392,495
Total revenues	<u>23,620</u>	<u>-</u>	<u>1,406,702</u>	<u>170,370</u>	<u>2,640,709</u>	<u>5,020,907</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	22,303	-	932,198	-	-	-
Health and welfare	-	-	-	-	-	-
Parks and recreation	-	-	-	85,271	-	-
Education	-	-	-	-	2,296,613	4,943,988
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlays	-	-	-	26,118	-	19,493
Total expenditures	<u>22,303</u>	<u>-</u>	<u>932,198</u>	<u>111,389</u>	<u>2,296,613</u>	<u>4,963,481</u>
Excess (deficiency) of revenues over expenditures	1,317	-	474,504	58,981	344,096	57,426
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	7,484	-
Transfers out	-	-	(450,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>	<u>7,484</u>	<u>-</u>
Net change in fund balances	1,317	-	24,504	58,981	351,580	57,426
Fund balances - beginning	<u>11,105</u>	<u>35,218</u>	<u>(1,105)</u>	<u>324,984</u>	<u>476,623</u>	<u>273,496</u>
Fund balances - ending	<u>\$ 12,422</u>	<u>\$ 35,218</u>	<u>\$ 23,399</u>	<u>\$ 383,965</u>	<u>\$ 828,203</u>	<u>\$ 330,922</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2023

	Law Enforcement Fund	Septage Management Ordinance Fund	Fairfield Hills Authority Fund	School Custodial Fund	Adult Education Fund	Police Benevolent Fund
REVENUES						
Intergovernmental	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	4,655	29,750	-	157,427	-
Investment income (loss)	-	153	-	-	-	-
Other	-	-	5,300	20,923	-	200
Total revenues	<u>35,000</u>	<u>4,808</u>	<u>35,050</u>	<u>20,923</u>	<u>157,427</u>	<u>200</u>
EXPENDITURES						
Current:						
General government	-	-	42,167	-	-	-
Public safety	42,000	-	-	-	-	-
Health and welfare	-	750	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	9,676	140,612	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>42,000</u>	<u>750</u>	<u>42,167</u>	<u>9,676</u>	<u>140,612</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(7,000)	4,058	(7,117)	11,247	16,815	200
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(7,000)	4,058	(7,117)	11,247	16,815	200
Fund balances - beginning	<u>53,589</u>	<u>136,176</u>	<u>45,205</u>	<u>56,059</u>	<u>111,846</u>	<u>49</u>
Fund balances - ending	<u>\$ 46,589</u>	<u>\$ 140,234</u>	<u>\$ 38,088</u>	<u>\$ 67,306</u>	<u>\$ 128,661</u>	<u>\$ 249</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2023

	Edmond Town Hall Fund	Newtown Community Center Fund	Town Recreation Fund	Miscellaneous Grants Fund	Small Cities Program Fund	Board of Education Flex Spending Plan Fund	Student Activities Fund
REVENUES							
Intergovernmental	\$ 116,775	\$ 56,912	\$ 67,500	\$ 448,322	\$ -	\$ -	\$ -
Charges for services	622,688	1,810,306	804,231	-	-	81,794	1,194,314
Investment income (loss)	59,098	85,969	-	-	-	-	-
Other	9,848	1,046,948	-	17,794	-	-	-
Total revenues	808,409	3,000,135	871,731	466,116	-	81,794	1,194,314
EXPENDITURES							
Current:							
General government	862,892	-	-	8,484	-	-	-
Public safety	-	-	-	48,460	-	-	-
Health and welfare	-	-	-	297,046	20,185	-	-
Parks and recreation	-	1,572,680	793,707	-	-	-	-
Education	-	-	-	-	-	79,407	1,172,692
Debt service:							
Principal	-	-	-	26,463	-	-	-
Interest and fiscal charges	-	-	-	9,537	-	-	-
Capital outlays	8,653	68,049	-	91	-	-	-
Total expenditures	871,545	1,640,729	793,707	390,081	20,185	79,407	1,172,692
Excess (deficiency) of revenues over expenditures	(63,136)	1,359,406	78,024	76,035	(20,185)	2,387	21,622
OTHER FINANCING SOURCES (USES)							
Transfers in	196,879	-	-	-	-	-	-
Transfers out	-	-	(45,000)	-	-	-	-
Total other financing sources (uses)	196,879	-	(45,000)	-	-	-	-
Net change in fund balances	133,743	1,359,406	33,024	76,035	(20,185)	2,387	21,622
Fund balances - beginning	360,363	3,723,993	46,900	-	34,595	22,257	841,349
Fund balances - ending	\$ 494,106	\$ 5,083,399	\$ 79,924	\$ 76,035	\$ 14,410	\$ 24,644	\$ 862,971

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2023

	Waterfront Fund	Historic Documents Fund	Cultural Arts Fund	Total Nonmajor Special Revenue Funds
REVENUES				
Intergovernmental	\$ -	\$ 7,500	\$ -	\$ 6,619,752
Charges for services	208,326	11,682	29,885	7,756,852
Investment income (loss)	-	-	(4,225)	140,995
Other	-	-	32,069	1,705,853
Total revenues	<u>208,326</u>	<u>19,182</u>	<u>57,729</u>	<u>16,223,452</u>
EXPENDITURES				
Current:				
General government	-	21,778	-	935,321
Public safety	-	-	-	1,044,961
Health and welfare	-	-	68,251	386,232
Parks and recreation	124,714	-	-	2,576,372
Education	-	-	-	8,642,988
Debt service:				
Principal	-	-	-	26,463
Interest and fiscal charges	-	-	-	9,537
Capital outlays	20,499	6,836	-	149,739
Total expenditures	<u>145,213</u>	<u>28,614</u>	<u>68,251</u>	<u>13,771,613</u>
Excess (deficiency) of revenues over expenditures	63,113	(9,432)	(10,522)	2,451,839
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	204,363
Transfers out	-	-	-	(495,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(290,637)</u>
Net change in fund balances	63,113	(9,432)	(10,522)	2,161,202
Fund balances - beginning	<u>494,008</u>	<u>63,054</u>	<u>203,856</u>	<u>7,313,620</u>
Fund balances - ending	<u>\$ 557,121</u>	<u>\$ 53,622</u>	<u>\$ 193,334</u>	<u>\$ 9,474,822</u>
				<i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR PERMANENT FUNDS
AS OF JUNE 30, 2023

	Hawley School Trust Fund	Edmond Town Hall Endowment Fund	Newtown Flagpole Fund	The V.G. Hair and Frances E. Hair Fund	Total Nonmajor Permanent Funds
ASSETS					
Cash and cash equivalents	\$ 5,029	\$ 37,542	\$ -	\$ 9,487	\$ 52,058
Investments	380,294	1,064,626	12,753	919,729	2,377,402
Due from other funds	27,012	-	3,381	-	30,393
Total assets	<u>\$ 412,335</u>	<u>\$ 1,102,168</u>	<u>\$ 16,134</u>	<u>\$ 929,216</u>	<u>\$ 2,459,853</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 9,363	\$ 9,363
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,363</u>	<u>9,363</u>
FUND BALANCES					
Nonspendable	350,000	250,000	10,000	-	610,000
Restricted	62,335	852,168	6,134	919,853	1,840,490
Total fund balances	<u>412,335</u>	<u>1,102,168</u>	<u>16,134</u>	<u>919,853</u>	<u>2,450,490</u>
Total liabilities and fund balances	<u>\$ 412,335</u>	<u>\$ 1,102,168</u>	<u>\$ 16,134</u>	<u>\$ 929,216</u>	<u>\$ 2,459,853</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Hawley School Trust Fund	Edmond Town Hall Endowment Fund	Newtown Flagpole Fund	The V.G. Hair and Frances E. Hair Fund	Total Nonmajor Permanent Funds
REVENUES					
Investment income (loss)	\$ 57,583	\$ 133,029	\$ 20	\$ (14,164)	\$ 176,468
Contributions	-	-	375	-	375
Total revenues	<u>57,583</u>	<u>133,029</u>	<u>395</u>	<u>(14,164)</u>	<u>176,843</u>
EXPENDITURES					
Current:					
General government	-	70,833	-	-	70,833
Public safety	-	-	-	45,288	45,288
Education	57,512	-	-	-	57,512
Total expenditures	<u>57,512</u>	<u>70,833</u>	<u>-</u>	<u>45,288</u>	<u>173,633</u>
Net change in fund balances	71	62,196	395	(59,452)	3,210
Fund balances - beginning	<u>412,264</u>	<u>1,039,972</u>	<u>15,739</u>	<u>979,305</u>	<u>2,447,280</u>
Fund balances - ending	<u>\$ 412,335</u>	<u>\$ 1,102,168</u>	<u>\$ 16,134</u>	<u>\$ 919,853</u>	<u>\$ 2,450,490</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

PENSION TRUST FUNDS

A fiduciary fund type used to report resources that are required to be held in trust for the member and beneficiaries of defined benefit pension plans.

The Town has three pension plans covering substantially all of its employees, except teachers who are covered by the State Teachers' Retirement Fund. The General Town and Board of Education Plan is a contributory defined benefit plan. The Police Plan is a contributory defined benefits plan. The Elected Officials Plan is a contributory defined contribution plan.

OPEB TRUST FUNDS

To account for the Town's other post-employment benefit plan, which provides medical and life insurance to retirees.

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
AS OF JUNE 30, 2023

	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 241,366	\$ 21,174	\$ 262,540
Investments:			
Mutual funds	57,338,879	4,313,475	61,652,354
Total assets	<u>\$ 57,580,245</u>	<u>\$ 4,334,649</u>	<u>\$ 61,914,894</u>
LIABILITIES			
Payables	<u>221,740</u>	<u>-</u>	<u>221,740</u>
NET POSITION			
Restricted for pension and OPEB benefits	<u>\$ 57,358,505</u>	<u>\$ 4,334,649</u>	<u>\$ 61,693,154</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 2,251,611	\$ 200,000	\$ 2,451,611
Plan members	374,831	-	374,831
Total contributions	<u>2,626,442</u>	<u>200,000</u>	<u>2,826,442</u>
Investment earnings:			
Interest and dividends	1,977,996	145,233	2,123,229
Net change in the fair value of investments	<u>3,532,233</u>	<u>262,591</u>	<u>3,794,824</u>
Total investment earnings	5,510,229	407,824	5,918,053
Less: investment fee expense	<u>(48,914)</u>	<u>(14,859)</u>	<u>(63,773)</u>
Total investment earnings, net	<u>5,461,315</u>	<u>392,965</u>	<u>5,854,280</u>
Total additions	8,087,757	592,965	8,680,722
DEDUCTIONS			
Benefit payments	2,955,481	-	2,955,481
Administrative expenses	<u>59,005</u>	<u>1,184</u>	<u>60,189</u>
Total deductions	<u>3,014,486</u>	<u>1,184</u>	<u>3,015,670</u>
Change in net position	5,073,271	591,781	5,665,052
Net position - beginning	<u>52,285,234</u>	<u>3,742,868</u>	<u>56,028,102</u>
Net position - ending	<u><u>\$ 57,358,505</u></u>	<u><u>\$ 4,334,649</u></u>	<u><u>\$ 61,693,154</u></u>

STATISTICAL SECTION

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.

CONTENTS:

Financial Trends (Tables 1 - 4):

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5 - 8):

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity (Tables 9 - 12):

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 13 - 14):

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information (Table 15 - 17):

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

Table 1

TOWN OF NEWTOWN, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 172,186,652	\$ 191,092,069	\$ 219,568,514	\$ 229,166,050	\$ 232,743,644	\$ 245,998,804	\$ 248,547,609	\$ 250,577,529	\$ 253,951,080	\$ 262,609,365
Restricted for grants and other purposes	5,421,702	4,920,388	4,291,228	13,348,919	12,423,807	5,215,378	4,575,310	4,714,220	5,020,715	5,194,993
Unrestricted	9,914,472	15,857,578	21,104,881	1,544,434	2,050,448	1,901,944	7,313,290	9,508,485	13,483,474	12,275,657
Total governmental activities net position	<u>\$ 187,522,826</u>	<u>\$ 211,870,035</u>	<u>\$ 244,964,623</u>	<u>\$ 244,059,403</u>	<u>\$ 247,217,899</u>	<u>\$ 253,116,126</u>	<u>\$ 260,436,209</u>	<u>\$ 264,800,234</u>	<u>\$ 272,455,269</u>	<u>\$ 280,080,015</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 23,031,532	\$ 24,500,880	\$ 26,005,257	\$ 28,379,407	\$ 28,192,066	\$ 27,626,523	\$ 27,149,132	\$ 26,097,646	\$ 27,097,413	\$ 27,635,725
Unrestricted	7,733,196	5,327,679	3,028,503	4,435,154	3,896,993	3,227,650	3,251,416	3,469,145	3,501,174	3,070,606
Total business-type activities net assets	<u>\$ 30,764,728</u>	<u>\$ 29,828,559</u>	<u>\$ 29,033,760</u>	<u>\$ 32,814,561</u>	<u>\$ 32,089,059</u>	<u>\$ 30,854,173</u>	<u>\$ 30,400,548</u>	<u>\$ 29,566,791</u>	<u>\$ 30,598,587</u>	<u>\$ 30,706,331</u>
Primary government										
Net investment in capital assets	\$ 195,218,184	\$ 215,592,949	\$ 245,573,771	\$ 257,545,457	\$ 260,935,710	\$ 273,625,327	\$ 275,696,741	\$ 276,675,175	\$ 281,048,493	\$ 290,245,090
Restricted	5,421,702	4,920,388	4,291,228	13,348,919	12,423,807	5,215,378	4,575,310	4,714,220	5,020,715	5,194,993
Unrestricted	17,647,668	21,185,257	24,133,384	5,979,588	5,947,441	5,129,594	10,564,706	12,977,630	16,984,648	15,346,263
Total primary government net position	<u>\$ 218,287,554</u>	<u>\$ 241,698,594</u>	<u>\$ 273,998,383</u>	<u>\$ 276,873,964</u>	<u>\$ 279,306,958</u>	<u>\$ 283,970,299</u>	<u>\$ 290,836,757</u>	<u>\$ 294,367,025</u>	<u>\$ 303,053,856</u>	<u>\$ 310,786,346</u>

Table 2-1

TOWN OF NEWTOWN, CONNECTICUT
CHANGES NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 6,002,205	\$ 6,487,392	\$ 6,748,506	\$ 7,385,317	\$ 6,945,084	\$ 6,907,954	\$ 6,787,171	\$ 6,750,852	\$ 6,849,488	\$ 7,483,840
Public safety	10,603,300	11,028,701	11,763,967	13,341,455	11,775,277	12,087,651	12,151,228	11,108,093	12,464,476	13,023,195
Health and welfare	1,666,370	2,042,810	1,931,081	1,659,556	1,909,169	1,930,791	1,882,450	2,183,913	2,284,533	2,480,738
Land use	723,512	666,559	753,241	631,791	632,820	703,298	851,758	828,970	914,969	971,345
Public works	10,416,008	9,630,398	10,403,732	11,321,488	11,509,804	13,441,190	11,311,974	11,324,009	12,485,967	14,000,893
Parks and recreation	4,246,003	4,779,673	4,958,640	5,086,402	5,268,080	5,828,998	6,419,400	6,316,031	6,759,121	7,540,000
Education	90,475,882	90,038,453	89,774,822	90,644,415	97,705,211	89,993,500	103,204,990	113,049,738	99,068,357	111,406,251
Interest expense	2,350,574	2,534,616	2,226,691	1,606,362	2,135,932	2,648,364	2,319,358	2,419,668	2,024,150	2,096,809
Total governmental activities expenses	126,483,854	127,208,602	128,560,680	131,676,786	137,881,377	133,541,746	144,928,329	153,981,274	142,851,061	159,003,071
Business-type activities:										
Sewer	1,575,726	1,696,442	1,696,780	1,643,747	1,710,495	1,921,345	1,756,195	2,172,237	2,004,277	1,845,025
Water	359,157	479,700	511,594	524,881	404,610	393,681	450,075	381,893	509,110	408,202
Total Business-type activities expenses	1,934,883	2,176,142	2,208,374	2,168,628	2,115,105	2,315,026	2,206,270	2,554,130	2,513,387	2,253,227
Total Expenses	128,418,737	129,384,744	130,769,054	133,845,414	139,996,482	135,856,772	147,134,599	156,535,404	145,364,448	161,256,298
Program Revenues										
Governmental activities:										
Charges for services:										
General government	661,787	764,436	811,598	2,087,378	1,781,957	1,709,232	1,714,192	2,280,827	2,669,797	2,051,741
Public safety	398,294	607,587	843,555	919,069	978,197	1,281,153	1,438,804	695,178	796,245	1,424,146
Health and welfare	55,400	2,515	10,404	8,230	6,335	9,960	44,412	2,650	15,167	29,885
Land use	42,717	81,168	56,628	49,737	72,995	64,649	82,203	98,375	108,264	50,661
Public works	1,184,725	1,079,601	1,151,513	703,365	834,793	962,901	691,029	709,000	795,187	787,835
Parks and recreation	1,627,318	1,489,006	1,450,819	1,128,552	1,003,064	1,105,370	1,545,239	1,798,775	2,530,060	3,095,184
Education	2,185,632	2,274,004	2,369,659	2,384,561	2,339,223	2,339,058	2,915,011	1,503,832	2,494,529	2,878,801
Operating grants and contributions	22,660,148	19,919,812	19,384,116	18,758,945	25,336,044	18,685,375	28,080,552	36,948,800	23,574,440	31,417,367
Capital grants and contributions	4,827,049	21,188,401	30,852,252	2,664,970	1,741,624	2,621,830	1,284,298	544,307	3,127,249	3,433,986
Total governmental activities program revenues	33,643,070	47,406,530	56,930,544	28,704,807	34,094,232	28,779,528	37,795,740	44,581,744	36,110,938	45,169,606
Business-type activities:										
Sewer	976,159	875,006	1,027,189	5,650,537	975,190	1,049,861	1,261,013	1,269,688	1,639,723	1,912,609
Water	319,567	323,481	346,945	261,575	369,866	415,083	455,327	425,438	1,884,022	429,661
Total business-type activities program revenues	1,295,726	1,198,487	1,374,134	5,912,112	1,345,056	1,464,944	1,716,340	1,695,126	3,523,745	2,342,270
Total Program Revenues	34,938,796	48,605,017	58,304,678	34,616,919	35,439,288	30,244,472	39,512,080	46,276,870	39,634,683	47,511,876
Net Expenses										
Governmental activities	(92,840,784)	(79,802,072)	(71,630,136)	(102,971,979)	(103,787,145)	(104,762,218)	(107,132,589)	(109,399,530)	(106,740,123)	(113,833,465)
Business-type activities	(639,157)	(977,655)	(834,240)	3,743,484	(770,049)	(850,082)	(489,930)	(859,004)	1,010,358	89,043
Total net expenses	(93,479,941)	(80,779,727)	(72,464,376)	(99,228,495)	(104,557,194)	(105,612,300)	(107,622,519)	(110,258,534)	(105,729,765)	(113,744,422)

Notes:

Amounts reported in prior years include certain reclassifications to conform to the current year presentation, including the reclassification of library expenses from health and welfare to parks and recreation expenses.

TOWN OF NEWTOWN, CONNECTICUT
CHANGES NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes In Net Position										
Governmental activities:										
Property taxes	\$ 100,629,359	\$ 100,926,929	\$ 101,373,044	\$ 103,477,136	\$ 104,669,353	\$ 107,694,541	\$ 110,835,838	\$ 111,659,716	\$ 113,170,487	\$ 116,431,250
Grants and contributions not restricted	2,685,543	2,962,325	2,770,496	2,382,347	1,647,784	1,574,097	1,570,502	1,555,114	1,797,123	2,983,519
Investment income	370,978	210,013	360,637	480,819	628,504	1,391,807	1,283,811	548,725	(572,452)	2,043,442
Other	136,925	50,014	220,547	-	-	-	-	-	-	-
Total governmental activities	103,822,805	104,149,281	104,724,724	106,340,302	106,945,641	110,660,445	113,690,151	113,763,555	114,395,158	121,458,211
Business-type activities:										
Sewer	43,458	41,486	39,441	37,317	44,547	40,496	36,305	25,247	21,438	18,701
Total Business-type activities	43,458	41,486	39,441	37,317	44,547	40,496	36,305	25,247	21,438	18,701
Total general revenues	103,866,263	104,190,767	104,764,165	106,377,619	106,990,188	110,700,941	113,726,456	113,788,802	114,416,596	121,476,912
Change in Net Position Before Extraordinary Item										
Governmental activities	10,982,021	24,347,209	33,094,588	3,368,323	3,158,496	5,898,227	6,557,562	4,364,025	7,655,035	7,624,746
Business-type activities	(595,699)	(936,169)	(794,799)	3,780,801	(725,502)	(809,586)	(453,625)	(833,757)	1,031,796	107,744
	10,386,322	23,411,040	32,299,789	7,149,124	2,432,994	5,088,641	6,103,937	3,530,268	8,686,831	7,732,490
Extraordinary Item - Asset Impairment	(3,721,367)	-	-	-	-	-	-	-	-	-
Change in Net Position										
Governmental activities	7,260,654	24,347,209	33,094,588	3,368,323	3,158,496	5,898,227	6,557,562	4,364,025	7,655,035	7,624,746
Business-type activities	(595,699)	(936,169)	(794,799)	3,780,801	(725,502)	(809,586)	(453,625)	(833,757)	1,031,796	107,744
Total change in net position	\$ 6,664,955	\$ 23,411,040	\$ 32,299,789	\$ 7,149,124	\$ 2,432,994	\$ 5,088,641	\$ 6,103,937	\$ 3,530,268	\$ 8,686,831	\$ 7,732,490

Table 3

TOWN OF NEWTOWN, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Committed	\$ -	\$ -	\$ -	\$ -	\$ 175,484	\$ 264,924	\$ 178,552	\$ 171,106	\$ 349,556	\$ 105,000
Assigned	958,996	698,388	868,010	963,885	390,306	739,565	379,499	804,942	2,498,246	2,676,786
Unassigned	10,242,495	10,608,535	11,444,280	12,301,299	12,826,790	15,652,861	16,737,825	16,082,132	15,095,295	15,482,933
Total General Fund	11,201,491	11,306,923	12,312,290	13,265,184	13,392,580	16,657,350	17,295,876	17,058,180	17,943,097	18,264,719
All Other Governmental Funds:										
Nonspendable	610,000	610,000	610,000	650,896	632,917	625,100	666,251	633,609	624,618	680,441
Restricted	4,811,702	4,310,388	3,681,228	10,422,614	15,506,381	7,649,194	6,456,318	5,418,887	9,506,043	6,814,733
Committed	3,293,443	1,728,989	8,075,178	2,535,021	3,393,676	2,617,205	5,041,698	8,879,198	11,521,979	14,813,320
Assigned	382,280	65,891	85,213	-	-	-	-	-	-	-
Unassigned	-	(526,469)	-	(1,714,482)	(1,153,355)	(2,134,824)	(1,168,150)	(802,164)	(424,539)	(3,333,812)
Total All Other Governmental Funds	9,097,425	6,188,799	12,451,619	11,894,049	18,379,619	8,756,675	10,996,117	14,129,530	21,228,101	18,974,682
Total All Governmental Funds	<u>\$ 20,298,916</u>	<u>\$ 17,495,722</u>	<u>\$ 24,763,909</u>	<u>\$ 25,159,233</u>	<u>\$ 31,772,199</u>	<u>\$ 25,414,025</u>	<u>\$ 28,291,993</u>	<u>\$ 31,187,710</u>	<u>\$ 39,171,198</u>	<u>\$ 37,239,401</u>

Note:

Amounts reported as of June 30, 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Information to restate amounts prior to June 30, 2020 is not readily available.

Table 4

TOWN OF NEWTOWN, CONNECTICUT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 100,427,517	\$ 101,013,572	\$ 101,236,267	\$ 103,098,824	\$ 104,543,685	\$ 107,411,022	\$ 110,566,918	\$ 111,665,782	\$ 112,948,485	\$ 115,851,960
Intergovernmental	29,675,603	34,292,844	53,276,588	23,123,936	22,377,709	27,030,601	23,479,704	23,179,608	29,353,866	31,308,586
Charges for services	6,140,973	6,302,145	6,687,682	6,958,039	7,016,564	7,271,770	8,430,890	7,088,637	9,409,249	10,318,255
Investment income	365,616	202,778	352,580	480,819	628,504	1,391,807	1,283,811	548,725	(572,452)	1,980,445
Contributions	1,076,879	783,631	263,880	6,097,601	5,235,630	1,720,317	2,518,219	2,080,354	2,366,040	2,594,566
Other	136,925	50,014	220,547	-	-	-	-	-	-	-
Total revenues	137,823,513	142,644,984	162,037,544	139,759,219	139,802,092	144,825,517	146,279,542	144,563,106	153,505,188	162,053,812
Expenditures										
General government	5,471,010	6,308,275	6,137,799	5,794,214	6,339,352	5,804,071	5,946,554	5,432,162	5,397,480	5,841,868
Fairfield Hills	56,888	27,640	27,785	-	44,000	43,999	44,000	40,000	40,000	40,000
Public safety	9,878,324	10,403,207	10,411,943	10,640,650	10,808,734	11,105,058	11,518,994	11,133,797	11,282,294	11,997,649
Health and welfare	1,641,981	2,028,254	1,880,026	1,619,514	1,926,897	1,874,125	1,851,511	2,149,092	2,213,583	2,365,409
Land use	720,127	673,894	674,599	680,106	666,024	662,685	678,228	823,306	857,705	873,410
Public works	10,060,991	10,076,262	9,733,804	9,667,449	11,463,088	10,408,191	9,864,349	10,077,573	10,794,006	11,447,378
Parks and recreation	4,020,640	4,151,970	4,103,333	4,462,254	4,480,660	4,666,224	5,512,888	5,562,092	5,881,580	6,485,644
Education	88,921,365	87,257,274	86,970,790	88,091,733	89,102,583	92,558,079	95,228,668	94,686,195	98,129,213	102,582,051
Debt service:										
Principal	7,581,211	7,581,211	7,846,937	6,974,847	6,808,127	6,904,695	6,992,852	7,183,385	7,586,469	7,696,327
Interest	2,577,717	3,266,877	2,490,558	2,453,419	2,376,153	2,791,143	2,978,350	2,601,928	2,759,690	2,776,467
Capital outlays	7,756,118	14,053,371	37,091,149	13,941,677	12,534,327	25,649,383	15,979,165	10,618,616	9,848,346	18,113,305
Total expenditures	138,686,372	145,828,235	167,368,723	144,325,863	146,549,945	162,467,653	156,595,559	150,308,146	154,790,366	170,219,508
Excess of revenues over (under) expenditures	(862,859)	(3,183,251)	(5,331,179)	(4,566,644)	(6,747,853)	(17,642,136)	(10,316,017)	(5,745,040)	(1,285,178)	(8,165,696)
Other Financing Sources (Uses)										
Issuance of debt	4,012,000	-	12,000,000	4,808,000	13,000,000	17,150,000	11,500,000	7,810,000	8,430,000	6,060,000
Issuance of refunding bonds	-	17,620,000	2,295,000	-	-	-	13,965,000	-	-	-
Financed purchases	-	179,866	-	-	114,065	624,662	-	-	58,506	-
Premiums on debt	544,355	2,592,690	731,617	152,968	247,754	1,242,915	1,088,730	830,757	780,160	433,389
Payment to refunded escrow	-	(20,012,499)	(2,427,251)	-	-	(7,732,615)	(14,122,266)	-	-	-
Transfers in	969,830	1,049,293	861,427	1,130,009	2,915,068	1,949,331	3,766,135	3,897,261	1,632,351	3,608,110
Transfers out	(969,830)	(1,049,293)	(861,427)	(1,130,009)	(2,915,068)	(1,949,331)	(3,766,135)	(3,897,261)	(1,632,351)	(3,867,600)
Total other financing sources (uses)	4,556,355	380,057	12,599,366	4,960,968	13,361,819	11,284,962	12,431,464	8,640,757	9,268,666	6,233,899
Net change in fund balances	\$ 3,693,496	\$ (2,803,194)	\$ 7,268,187	\$ 394,324	\$ 6,613,966	\$ (6,357,174)	\$ 2,115,447	\$ 2,895,717	\$ 7,983,488	\$ (1,931,797)
Total debt service	\$ 10,158,928	\$ 10,848,088	\$ 10,337,495	\$ 9,428,266	\$ 9,184,280	\$ 9,695,838	\$ 9,971,202	\$ 9,785,313	\$ 10,346,159	\$ 10,472,794
Noncapital expenditures	123,174,136	117,721,493	93,186,425	116,442,509	121,481,291	111,168,887	140,771,517	150,308,146	145,891,316	154,274,632
Debt service as a percentage of noncapital expenditures	8%	9%	11%	8%	8%	9%	7%	7%	7%	7%

Notes:

Table 5

TOWN OF NEWTOWN, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	(continued)						(3) Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Real Estate	Personal Property		Totals				
	(1) Assessed Value	(1) Motor Vehicle Assessed Value	(1) Personal Property Assessed Value	Assessed Value	(2) Estimated Value			
2014	\$ 2,707,112,590	\$ 225,073,540	\$ 105,001,262	\$ 3,037,187,392	\$ 4,338,839,131	0.89	70.00%	
2015	2,717,924,953	229,453,000	105,519,888	3,052,897,841	4,361,282,630	0.85	70.00%	
2016	2,743,010,486	236,403,001	134,621,196	3,114,034,683	4,448,620,976	0.86	70.00%	
2017	2,748,022,668	234,824,465	100,984,365	3,083,831,498	4,405,473,569	0.86	70.00%	
2018	2,800,272,164	241,202,332	116,504,468	3,157,978,964	4,511,398,520	0.85	70.00%	
2019	2,811,683,222	244,809,635	132,072,361	3,188,565,218	4,555,093,169	0.67	70.00%	
2020	2,851,800,404	252,048,281	172,615,189	3,276,463,874	4,680,662,677	0.66	70.00%	
2021	2,855,990,241	257,697,017	149,106,131	3,262,793,389	4,661,133,413	0.66	70.00%	
2022	2,854,346,467	264,002,585	150,283,654	3,268,632,706	4,669,475,294	35.29	70.00%	
2023	3,220,420,639	338,918,205	179,483,231	3,738,822,075	5,341,174,393	0.76	70.00%	

- (1) Assessed value taken from the Board of Assessment Appeals corrected abstracts for the respective year.
(2) By State law, property is assessed at 70% of actual value with periodic revaluation of real property.
(3) From Table 6.

Table 6

TOWN OF NEWTOWN, CONNECTICUT
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(Unaudited)

Year Ended June 30	Grand List of October 1	Tax Rate - Mills		
		Town Real & Personal Property Mill Rate	Town Motor Vehicle Mill Rate	Borough Mill Rate
2013	2011	24.54	24.54	0.61
2014	2012	33.32	33.32	0.89
2015	2013	33.31	33.31	0.85
2016	2014	33.07	33.07	0.86
2017	2015	33.60	33.60	0.86
2018	2016	34.24	34.24	0.85
2019	2017	34.24	34.24	0.67
2020	2018	34.77	34.77	0.66
2021	2019	34.76	34.76	0.66
2022	2020	34.65	34.65	0.64
2023	2021	34.67	32.46	0.76

Source: Data provided by Town of Newton and Borough Tax Collectors

Table 7

TOWN OF NEWTOWN, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2023			2014		
	Taxable Assessed Value	Rank	(1) Percentage of Total Town Taxable Assessed Grand List	Taxable Assessed Value	Rank	(2) Percentage of Total Town Taxable Assessed Grand List
<u>Taxpayer</u>						
Eversource	\$ 57,695,930	1	1.71%	\$ 26,952,680	1	0.89%
E&A/I&G Sandhill Plaza LTD Partnership	15,732,280	2	0.47%	15,155,000	2	0.50%
Iroquois Gas Transmission System	11,945,530	3	0.35%	18,262,900	3	0.60%
Newtown Shopping Village Limited	10,397,800	4	0.31%	10,141,950	4	0.33%
Covered Bridge Newtown LLC	10,385,360	5	0.31%			
Newtown Landlord CT LLC	9,781,211	6	0.29%			
Newtown ALF Property LLC	7,862,280	7	0.23%	8,470,902	5	0.28%
Farrell Communities at Sandy Hook LLC	7,796,710	8	0.23%			
ACAR Leasing Ltd	7,622,342	9	0.23%			
Aquarion Water Company	7,214,310	10	0.21%			
	<u>\$ 146,433,753</u>		<u>4.33%</u>	<u>\$ 78,983,432</u>		<u>2.60%</u>

(1) Based on October 1, 2021 net taxable Grand List of \$3,380,051,863

(2) Based on October 1, 2012 net taxable Grand List of \$3,032,966,615

Source: Town Assessor Department

Table 8

TOWN OF NEWTOWN, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Current Delinquent Balance
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2014	\$ 99,925,361	\$ 99,196,280	99.3%	\$ 641,944	\$ 99,838,224	99.9%	\$ 87,137
2015	100,736,217	99,928,950	99.2%	705,666	100,634,616	99.9%	101,601
2016	100,822,157	100,147,614	99.3%	557,519	100,705,133	99.9%	117,024
2017	102,847,280	102,196,864	99.4%	529,989	102,726,853	99.9%	120,427
2018	104,201,004	103,526,641	99.4%	547,395	104,074,036	99.9%	126,968
2019	107,152,760	106,425,026	99.3%	587,915	107,012,941	99.9%	139,819
2020	110,123,259	109,398,205	99.3%	581,916	109,980,121	99.9%	143,138
2021	111,177,718	110,499,517	99.4%	530,019	111,029,536	99.9%	148,182
2022	112,598,577	111,879,708	99.4%	456,420	112,336,128	99.8%	262,449
2023	115,750,009	114,756,039	99.1%	-	114,756,039	99.1%	993,970

Source: Town financial statements.

Table 9

TOWN OF NEWTOWN, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities						Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (2)
	General Obligation Bonds	Unamortized Premium	Clean Water Notes	Drinking Water Note	Financed Purchases	Leases	General Obligation Bonds	Unamortized Premium	Clean Water Notes			
2014	\$ 73,104,700	\$ 3,428,872	\$ 926,239	\$ 107,167	\$ 64,083	\$ -	\$ 2,690,300	\$ 44,167	\$ 3,125,380	\$ 83,490,908	6.42%	\$ 3,029
2015	64,221,900	3,230,825	636,202	98,940	99,866	-	2,488,100	41,747	2,209,527	73,027,107	5.35%	2,598
2016	68,594,300	3,414,557	340,285	90,520	49,933	-	2,285,900	39,327	1,275,188	76,090,010	5.57%	2,715
2017	66,668,300	2,801,131	176,372	81,903	39,078	-	2,431,700	36,907	321,895	72,557,286	5.31%	2,590
2018	72,938,800	2,652,522	148,498	73,084	111,210	-	2,281,200	34,820	-	78,240,134	5.64%	2,795
2019	75,694,300	3,294,385	120,033	64,058	568,169	-	2,130,700	32,067	-	81,903,712	5.54%	2,922
2020	81,244,500	3,382,655	90,964	54,820	420,424	-	2,075,500	6,537	-	87,275,400	5.61%	3,141
2021	82,058,000	3,851,036	61,279	45,365	272,679	-	2,832,000	6,092	-	89,126,451	5.58%	3,203
2022	83,261,000	3,886,235	30,964	35,689	172,500	548,720	2,679,000	5,647	-	90,619,755	5.83%	3,293
2023	81,969,000	3,675,319	-	25,786	36,378	381,375	2,476,000	-	-	88,563,858	5.25%	3,234

(1) See Table 5 for taxable property value data.

(2) See Table 13 for population data.

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Table 10

TOWN OF NEWTOWN, CONNECTICUT
RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

(Continued)								
Fiscal Year	GENERAL DEBT OUTSTANDING					Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (2)
	Governmental Activities		Business-Type Activities					
	General Obligation Bonds	Unamortized Premium	General Obligation Bonds	Unamortized Premium	Notes			
2014	\$ 73,104,700	\$ 3,428,872	\$ 2,690,300	\$ 44,167	\$ 4,158,786	\$ 83,426,825	6.41%	\$ 3,027
2015	64,221,900	3,230,825	2,488,100	41,747	2,944,669	72,927,241	5.34%	2,594
2016	68,594,300	3,414,557	2,285,900	39,327	1,705,993	76,040,077	5.57%	2,714
2017	66,668,300	2,801,131	2,431,700	36,907	580,170	72,518,208	5.31%	2,589
2018	72,938,800	2,652,522	2,281,200	34,820	221,582	78,128,924	5.63%	2,791
2019	75,694,300	3,294,385	2,130,700	32,067	184,091	81,335,543	5.50%	2,902
2020	81,244,500	3,382,655	2,075,500	6,537	145,784	86,854,976	5.58%	3,126
2021	82,058,000	3,851,036	2,832,000	6,092	106,644	88,853,772	5.57%	3,194
2022	83,261,000	3,886,235	2,679,000	5,647	66,653	89,898,535	5.78%	3,266
2023	81,969,000	3,675,319	2,476,000	-	25,786	88,146,105	5.23%	3,218

(1) See Table 5 for taxable property value data.

(2) See Table 13 for population data.

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Table 11

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2023
(Unaudited)

Total cash collections for the year ended
June 30, 2023:

Town:

Taxes	\$ 115,201,302
Interest and lien fees	460,342
Subtotal	<u>115,661,644</u>

Newtown Borough:

Taxes	202,238
Interest and lien fees	1,061
Subtotal	<u>203,299</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	-
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Base

<u>\$ 115,864,943</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 260,696,122	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	521,392,244	-	-	-
3-3/4 times base	-	-	434,493,536	-	-
3-1/4 times base	-	-	-	376,561,065	-
3 times base	-	-	-	-	347,594,829
Total debt limitation	<u>260,696,122</u>	<u>521,392,244</u>	<u>434,493,536</u>	<u>376,561,065</u>	<u>347,594,829</u>
Indebtedness:					
Bonds payable	53,322,400	28,646,600	2,476,000	-	-
Notes payable*	-	-	-	-	-
Authorized but unissued bonds	2,677,933	6,274,500	530,000	-	-
Total indebtedness	<u>56,000,333</u>	<u>34,921,100</u>	<u>3,006,000</u>	<u>-</u>	<u>-</u>
Less: Self-supporting sewer debt	<u>-</u>	<u>-</u>	<u>2,476,000</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u>56,000,333</u>	<u>34,921,100</u>	<u>530,000</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 204,695,789</u>	<u>\$ 486,471,144</u>	<u>\$ 433,963,536</u>	<u>\$ 376,561,065</u>	<u>\$ 347,594,829</u>
Total capacity of borrowing (7 times base)	\$ 811,054,601				
Total present indebtedness	91,451,433				
Margin for additional borrowing	<u>\$ 719,603,168</u>				

* State law excludes debt issued for water projects in the amount \$25,786 of from the Town's aggregate debt calculation.

Table 12

TOWN OF NEWTOWN, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2014	2015	2016	2017	2018
Debt limit	\$ 706,209,245	\$ 706,964,622	\$ 710,145,842	\$ 723,086,609	\$ 731,965,500
Total net debt applicable to limit	71,751,326	63,374,699	68,249,369	81,131,541	83,074,239
Legal Debt Margin	<u>\$ 634,457,919</u>	<u>\$ 643,589,923</u>	<u>\$ 641,896,473</u>	<u>\$ 641,955,068</u>	<u>\$ 648,891,261</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>10.16%</u>	<u>8.96%</u>	<u>9.61%</u>	<u>11.22%</u>	<u>11.35%</u>
	2019	2020	2021	2022	2023
Debt limit	\$ 752,134,362	\$ 773,800,916	\$ 781,210,283	\$ 789,922,525	\$ 811,054,601
Total net debt applicable to limit	97,092,948	95,789,622	91,335,969	102,027,967	91,451,433
Legal Debt Margin	<u>\$ 655,041,414</u>	<u>\$ 678,011,294</u>	<u>\$ 689,874,314</u>	<u>\$ 687,894,558</u>	<u>\$ 719,603,168</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>12.91%</u>	<u>12.38%</u>	<u>11.69%</u>	<u>12.92%</u>	<u>11.28%</u>

Note: There is no overlapping debt for the Town of Newtown.

Table 13

TOWN OF NEWTOWN, CONNECTICUT
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(2) Median Age	(4) Education Level in Years of Schooling	(3) School Enrollment	(2) Unemployment Rate
2014	27,560	\$ 1,301,410,760	\$ 47,221	39	94.3%	4,880	6.5%
2015	28,113	1,365,054,828	48,556	44	95.4%	4,747	4.6%
2016	28,022	1,365,792,280	48,740	44	94.0%	4,564	4.8%
2017	28,012	1,365,416,928	48,744	44	95.4%	4,470	4.4%
2018	27,990	1,388,387,970	49,603	45	94.6%	4,407	4.3%
2019	28,030	1,478,694,620	52,754	45	94.6%	4,218	2.9%
2020	27,788	1,555,711,180	55,985	45	96.5%	4,306	3.5%
2021	27,822	1,596,593,292	57,386	46	97.4%	4,053	4.7%
2022	27,522	1,555,460,874	56,517	45	96.4%	4,051	3.4%
2023	27,388	1,686,443,488	61,576	45	97.0%	4,053	3.1%

(1) CT Data - 2023 Town Profile

(2) Census.gov Quick Facts(2017-2021), Median Age by Town, State of CT DOL

(3) CT Data - 2023 Town Profile

(4) CT Data - 2023 Town Profile

Table 14

TOWN OF NEWTOWN, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	2023			2014		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Town of Newtown-School District	762	1	5.4%	767	1	5.7%
State of CT- Dept. of Corrections	392	2	2.8%	294	2	2.2%
Town of Newtown	261	3	1.8%	166	7	1.2%
Athena Healthcare LLC of Newtown	180	4	1.3%	291	3	2.1%
Newtown Savings Bank	169	5	1.2%	127	12	0.9%
Spectrum	160	6	1.1%	175	5	1.3%
Curtis Packaging Corp.	144	7	1.0%	148	9	1.1%
Caraluzzi's Newtown Market	128	8	0.9%	130	11	1.0%
Eversource	100	9	0.7%			
Taunton Press	89	10	0.6%	240	4	1.8%
Stop & Shop				174	6	1.3%
Big Y				165	8	1.2%
Hubbell wiring Devices-Kellems				131	10	1.0%
Total	<u>2,385</u>		<u>16.8%</u>	<u>2,808</u>		<u>20.7%</u>
 Total Employees	 <u>14,203</u>			 <u>13,571</u>		

Table 15

TOWN OF NEWTOWN, CONNECTICUT
FULL-TIME EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>General Government:</u>										
Selectmen	3	3	3	3	3	3	3	3	3	3
Finance	5	5	5	4	4	4	4	4	4	4
Parks and recreation	17	17	17	16	17	17	16	16	17	16
Town clerk	4	4	4	4	4	3	3	3	3	3
Senior center	3	2	2	2	2	1	1	1	1	2
Registrars	2	2	2	2	2	2	2	2	2	2
Tax collector	4	4	4	4	4	4	4	4	4	4
Tax assessor	4	3	3	4	4	4	3	3	4	4
Technology				4	4	4	4	4	4	4
Social services	2	2	2	4	4	4	5	5	5	5
Community Center						3	5	5	5	5
<u>Police:</u>										
Officers	45	45	45	45	45	45	45	45	45	45
Civilians	4	4	4	4	3	3	3	3	3	3
Canine control	2	2	3	3	3	2	1	1	2	2
<u>Fire:</u>										
Fire Marshall	3	3	3	3	3	3	3	3	3	3
<u>Public Works:</u>										
Engineering	2	2	2	2	2	2	2	2	2	1
Highway	38	37	38	40	38	36	37	37	36	39
Landfill	3	3	3	3	3	3	1	1	3	3
Building	5	5	5	5	5	4	4	4	4	4
Building (Maintenance)					2	1	1	1	1	1
<u>Land Use</u>	6	6	8	9	8	8	8	8	7	6
<u>Emergency Communications</u>	10	10	10	9	10	9	10	10	11	10
<u>Education</u>	759	786	779	793	803	815	805	806	805	799
Total	921	945	942	963	973	980	970	971	974	968

Sources: Town Budget

Table 16-1

TOWN OF NEWTOWN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
<u>Public Safety:</u>										
Volunteer Fire:										
No. of incidents	1,073	1,718	1,629	1,696	4,987	2,004	4,556	1,353	1,931	2,197
No. of rescue/medical calls	98	33	147	141	119	186	192	206	1,024	209
Police:										
No. of calls	24,701	26,796	17,082	24,561	27,160	31,509	28,142	15,397	15,251	18,076
No. of 911 calls	7,078	7,098	7,587	6,399	8,302	6,548	6,635	7,143	7,322	10,422
No. of formal investigations	2,202	2,077	1,678	1,630	1,625	1,674	1,517	1,503	1,593	1,774
<u>Town Clerk:</u>										
No. of documents recorded	5,562	6,276	5,015	5,193	5,140	4,417	4,607	7,332	6,262	3,963
<u>Health and Welfare:</u>										
No. of food service facilities inspections	114	108	127	125	129	126	125	131	129	145
No. of new homes built	18	19	18	23	13	13	20	72	36	22
No. of soil tests	164	111	121	126	146	117	110	166	136	133
No. of new septic permits	12	19	25	26	30	23	40	49	44	47
No. of septic repairs	83	83	97	98	98	86	112	131	94	101
No. of well permits	49	53	60	81	74	43	78	92	86	74
<u>Land Use:</u>										
No. of subdivisions approved	3	2	-	1	2	2	-	-	1	2
No. of commercial applications approved	4	5	4	2	5	9	-	-	9	10
<u>Building:</u>										
No. of residential permits issued	1,816	1,744	1,836	1,203	1,540	1,943	1,601	2,134	2,123	1,661
No. of commercial permits issued	215	275	136	196	236	247	190	127	178	153
<u>Public Works:</u>										
Streets:										
Accepted Town roads (miles)	256	256	256	256	256	256	256	256	256	256
Private roads	19	19	19	19	19	19	19	19	19	19
Roads under construction	1	1	1	1	1	1	1	3	3	3
Sidewalks	3	3	3	3	4	4	4	4	4	4

n/a - information is not available

Sources: Various Town Departments

TOWN OF NEWTOWN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
<u>Education:</u>										
Enrollment:										
High School Grades 9-12	1,716	1,738	1,681	1,684	1,624	1,559	1,516	1,441	1,398	1,325
Middle School Grades 7-8	857	833	812	750	712	683	680	637	592	614
Intermediate School Grades 5-6	788	731	701	659	648	626	560	582	578	578
Elementary School Grades Pre-K-4	1,519	1,445	1,370	1,354	1,384	1,421	1,395	1,359	1,449	1,454
Newtown Community Partnership					17	16	16	11	15	12
Business-type Activities:										
<u>Water Fund:</u>										
Water mains (miles)	6	6	6	6	6	6	6	6	6	6
Fire hydrants	47	47	47	47	47	47	47	47	47	47
Storage capacity (thousand of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>Sewer Fund:</u>										
Sewer mains (miles)	24	24	24	24	25	25	25	25	25	25
Treatment capacity (thousands of gallons)	932	932	932	932	932	932	932	932	932	932

n/a - information is not available

Sources: Various Town Departments

Table 17

TOWN OF NEWTOWN, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
<u>Parks and Recreation:</u>										
Acreage (includes all open space)	2,102	2,103	2,103	2,108	2,113	2,113	2,113	2,113	2,118	2,118
Playgrounds	10	10	10	10	10	10	10	10	10	11
Baseball fields	13	13	13	13	13	14	14	14	14	14
Softball fields	9	9	9	10	10	10	10	10	10	10
Multi-purpose fields	20	20	20	20	20	20	20	20	20	20
Senior center	1	1	1	1	1	1	1	1	1	1
Skate park	1	1	1	1	1	1	1	1	1	1
Dog park	1	1	1	1	1	1	1	1	1	1
Community Center	-	-	-	-	-	1	1	1	1	1
<u>Public Safety:</u>										
Fire stations	5	5	5	5	5	5	5	5	5	5
Police Department:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol officers	31	30	30	30	30	30	30	32	32	32
<u>Public Works:</u>										
Highway Department:										
Streets (miles)	276	276	276	276	276	276	276	276	276	276
Sidewalks (miles)	3	3	3	3	3	3	5	5	5	5
<u>Transfer Station:</u>										
Stations	1	1	1	1	1	1	1	1	1	1
<u>Education:</u>										
High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Intermediate Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	4	4	4	4	4	4	4	4	4	4
Business-type Activities:										
<u>Water Fund:</u>										
Water mains (miles)	6	6	6	6	6	6	6	6	6	6
Fire hydrants	47	47	47	47	47	47	47	47	47	47
Storage capacity (thousand of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>Sewer Fund:</u>										
Sewer mains (miles)	24	24	24	24	25	25	25	25	25	25
Treatment capacity (thousands of gallons)	932	932	932	932	932	932	932	932	932	932

Sources: Various Town Departments