

Annual Financial Report
of the
Town of New Fairfield, Connecticut
For the Year Ended June 30, 2022

Town of New Fairfield, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2022**

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Financial Section



Independent Auditors' Report

**Board of Finance
Town of New Fairfield, Connecticut**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of New Fairfield, Connecticut ("Town"), as of and for the year ended June 30, 2022, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

**Board of Finance
Town of New Fairfield, Connecticut**

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, 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 Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, 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.

**Board of Finance
Town of New Fairfield, Connecticut**

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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 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 financial report. The other information comprises the trend information section 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 February 24, 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.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 24, 2023



TOWN OF NEW FAIRFIELD
Municipal and School Financial Services
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New Fairfield, CT 06812-2665
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Management's Discussion and Analysis
For the Year Ended June 30, 2022

As management of the Town of New Fairfield, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. Please read it in conjunction with the Town's financial statements immediately following this section.

Financial highlights

- On a government-wide basis, 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 as follows:

Change in net position	\$ 10,070,849
Total net position	102,699,757
Unrestricted net position	(15,773,164)

- The significant factors for the increase are as follows:

Governmental funds activity:

➤ positive operations of the capital nonrecurring fund of	\$ 218,110
➤ positive operations of the debt service fund of	3,840,128
➤ positive operations of the school lunch fund of	387,587

The positive operations were offset by:

➤ deficit operations of the general fund of	(172,472)
➤ deficit operations of the school construction fund of	(8,686,121)
➤ deficit operations of the education capital nonrecurring fund of	(569,771)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	51,648,838
➤ net principal debt activity of	(34,350,862)
➤ change in net pension liability of	(4,696,589)
➤ change in net OPEB liability of	490,857
➤ change in pension and OPEB deferred outflows of resources of	1,887,480
➤ change in pension and OPEB deferred inflows of resources of	2,273,750

Management's Discussion and Analysis

- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$45,217,332, a decrease of \$4,717,435 in comparison with the prior year. This decrease is primarily a result of deficit operations in the school construction fund of \$8,686,121, offset by positive operations in the debt service fund of \$3,840,128.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,486,250, an increase of \$440,547 in comparison with the prior year. This unassigned fund balance represents 19.61% of total budgetary general fund expenditures and transfers out.
- The Town's long-term debt increased by \$31,948,014 due to a bond issuance of \$35,000,000 offset by scheduled principal payments of \$3,051,986.
- The tax collection rate was 99.57% for the fiscal year.

Overview of the basic 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 financial statements. The statement of fiduciary net position is used to present financial information about activities for which the Town acts solely as an agent for the benefit of employees and others.

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 of resources, liabilities and deferred inflows of resources with the difference between these accounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, health and welfare, culture and recreation, and education.

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.

Management's Discussion and Analysis

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.

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, capital nonrecurring fund, and school construction fund, 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 other governmental funds is provided in the form of combining schedules.

The Town adopts an annual budget for its general fund. Budgetary comparison schedules have been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insured medical and dental benefits.

Fiduciary funds

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

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the general fund to demonstrate compliance with this budget.

Management's Discussion and Analysis

- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

Other required schedules and the combining schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.

Government-wide financial analysis

The analysis below focuses on the net position and the changes in net position. Unrestricted net position at year end totaled \$(15,773,164).

Summary Statement of Net Position June 30

	<u>2022</u>	<u>2021</u> (as restated)
Current and other assets	\$ 65,403,857	\$ 57,870,409
Capital assets (net)	<u>146,311,619</u>	<u>95,047,625</u>
Total assets	<u>211,715,476</u>	<u>152,918,034</u>
Deferred outflows of resources	<u>4,374,365</u>	<u>2,192,454</u>
Other liabilities	17,982,173	6,831,874
Long-term liabilities	<u>85,590,045</u>	<u>48,829,009</u>
Total liabilities	<u>103,572,218</u>	<u>55,660,883</u>
Deferred inflows of resources	<u>9,817,866</u>	<u>6,820,697</u>
Net position		
Net investment in capital assets	76,064,688	74,335,294
Restricted	42,408,233	25,486,159
Unrestricted	<u>(15,773,164)</u>	<u>(7,192,545)</u>
Total net position	<u>\$ 102,699,757</u>	<u>\$ 92,628,908</u>

By far, the largest portion of the Town's net position reflects its investment in capital assets (e.g., land, construction in progress, land and building improvements, buildings, machinery, equipment and infrastructure), 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.

Management's Discussion and Analysis

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.

A portion of the Town's net position, 41.29%, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$(15,773,164), which decreased by \$8,580,619 from the prior year due mostly to the increase in restricted net position for the school construction contracts.

Net position may serve over time as a useful indicator of the Town's financial position. The Town's total net position increased by \$10,070,849.

Statement of Changes in Net Position For the Years Ended June 30

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 3,968,326	\$ 3,507,686
Operating grants and contributions	14,485,369	12,655,176
Capital grants and contributions	11,078,373	2,477,632
General revenues		
Property taxes	52,117,122	50,063,646
Grants and contributions not restricted to specific programs	303,490	302,024
Income from investments	64,011	114,971
Other	21,008	65,212
Total revenues	<u>82,037,699</u>	<u>69,186,347</u>
Expenses:		
General government	4,700,643	4,180,649
Public safety	4,602,486	4,831,087
Public works	3,479,974	3,836,626
Health and welfare	626,074	600,274
Culture and recreation	1,236,987	1,040,822
Education	55,897,014	51,224,941
Interest	1,423,672	574,759
Total expenses	<u>71,966,850</u>	<u>66,289,158</u>
Change in net position	10,070,849	2,897,189
Net position - July 1	<u>92,628,908</u>	<u>89,731,719</u>
Net position - June 30	<u>\$ 102,699,757</u>	<u>\$ 92,628,908</u>

Management's Discussion and Analysis

Key elements of the change in net position are as follows:

Revenues

The significant changes in revenues for the fiscal year were as follows:

- Operating grants and contributions increased by \$1,830,193 mostly due to the increase in education grants revenue of \$1,414,991 for COVID related grants for ESSER grant revenue of \$1,180,123.
- Capital grants and contributions increased by \$8,600,741 primarily due to the Town receiving the school construction grant revenue of \$10,704,229 offset by a decrease in the American Rescue Plan Act grant revenue of \$2,053,601 received in the prior year.
- Property taxes revenue increased by \$2,053,476 primarily due to the increase in the amount required to fund the general fund adopted budget.

Expenses

- General government expenses increased by \$428,192 primarily due to:
 - An increase in the pension expense of \$294,418
 - An increase in employee benefits expense of \$104,219
 - An increase in claims expense of \$71,326
- Public safety expenses decreased by \$228,601 due to a decrease in pension expense of \$67,314 and a decrease in employee benefits of \$80,206
- Education expenses increased by \$4,672,073 primarily due to:
 - An increase in claims expense of \$1,348,081
 - An increase in the budget of \$516,346
 - An increase in expenses of \$253,464 and \$1,180,123 for the School Lunch and ESSER grants, respectively
- Interest expense increased by \$848,913 related to bonds of \$25,000,000 issued in the prior fiscal 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 expendable resources. Such information is useful in assessing the Town's financing requirements.

Management's Discussion and Analysis

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.

The components of fund balance were as follows:

Nonspendable	\$ 482
Restricted	42,407,751
Committed	4,678,848
Assigned	4,089,782
Unassigned	<u>(5,959,531)</u>
Total	<u>\$ 45,217,332</u>

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$45,217,332, a decrease of \$4,717,435 in comparison with the prior year. This decrease is a result of the following activity:

General fund. The general fund is the operating fund of the Town. At the end of the current fiscal year, of the \$11,735,904 total fund balance of the general fund, \$11,486,250 was unassigned. During the current fiscal year, the fund balance of the Town's general fund decreased by \$172,472. The details are discussed under budgetary highlights below.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19.61% of total budgetary general fund expenditures and transfers out, while total fund balance represents 20.04% of that same amount.

Capital nonrecurring fund. The capital nonrecurring fund's net change in fund balance was an increase of \$218,110 for the fiscal year due to the timing of the funding and spending for projects.

School construction fund. The school construction fund's net change in fund balance was a decrease of \$8,686,121 for the fiscal year due to the timing of the funding and spending for projects.

Proprietary fund

The Town has one proprietary fund, the internal service fund used for self-insured medical and dental claims for the Education department.

Internal service fund. The internal service fund is used to account for medical and dental self-insurance claims. The internal service fund's unrestricted net position at year end was \$590,431, a decrease of \$1,551,993 from the prior year. The decrease is due to claims in excess of contribution revenue.

General fund budgetary highlights

The difference between the original budget and the final amended budget was \$847,914.

The additional appropriations of \$847,914 primarily consisted of the following:

- \$597,268 to transfers out to the capital nonrecurring fund
- \$118,646 to transfers out to the education capital nonrecurring fund
- \$125,000 to public works department for road repairs

Management's Discussion and Analysis

Significant budget variances were as follows:

Revenues:

- Property taxes were over budget by \$427,657 due to conservative budgeting during COVID
- Intergovernmental revenues were in excess of the amount budgeted by \$168,611 mostly due to additional monies received for the education cost sharing grant
- Income from investments was lower than budgeted by \$295,034 due to the low interest rates continuing since COVID

Expenditures:

- General government was under budget by \$161,459 primarily due to open positions and related employee benefits
- Public safety was under budget by \$151,607 due to police expenditures of \$120,256 primarily related to less resident trooper costs than anticipated

Additional details on budget transfers can be found on RSI-1A and 1B.

Capital assets and debt administration

Capital assets

The Town's investment in capital assets amounts to \$146,311,619 (net of accumulated depreciation/amortization). This investment in capital assets is as follows:

Capital Assets (Net of Depreciation/Amortization) June 30

	<u>2022</u>	<u>2021</u> (as restated)
Land	\$ 6,950,076	\$ 6,525,076
Construction in progress	61,049,784	7,589,617
Land improvements	4,292,508	4,497,903
Buildings and improvements	48,735,864	50,303,600
Vehicles	1,995,529	2,118,345
Machinery and equipment	847,434	1,031,386
Right-to-use leased machinery and equipment	136,558	170,697
Infrastructure	<u>22,303,866</u>	<u>22,811,001</u>
Total	<u>\$ 146,311,619</u>	<u>\$ 95,047,625</u>

Management's Discussion and Analysis

The capital assets (net of depreciation/amortization) increased in the current year by \$51,263,994. The increase is due to capital additions exceeding depreciation/amortization expense. Major capital asset additions consisted of the following:

➤ Construction in progress:	
○ School construction projects	\$ 52,670,137
○ Middle school cafeteria	599,000
➤ Buildings and improvements:	
○ Middle school HVAC	358,475
➤ Vehicles:	
○ Freightliner truck	210,045

Additional information on the Town's capital assets can be found in Note III D.

Long-term debt

At the end of the fiscal year, the Town had total long-term debt outstanding of \$78,388,234. All debt is backed by the full faith and credit of the Town.

	Long-Term Debt	
	June 30	
	<u>2022</u>	<u>2021</u>
		(as restated)
General purpose bonds	\$ 1,351,000	\$ 1,552,000
School bonds	76,939,000	44,553,000
Equipment financing notes	49,382	164,523
Leases	<u>48,852</u>	<u>170,697</u>
Total	<u>\$ 78,388,234</u>	<u>\$ 46,440,220</u>

During the current fiscal year, the Town's total debt increased by \$31,948,014 due to issuance of bonds of \$35,000,000 offset by scheduled principal payments of \$3,051,986.

The Town maintains an "AAA" credit rating from Standard and Poor's Investor Service.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total prior year tax collections including interest and lien fees. The current debt limitation for the Town is \$350,615,853, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note III F.

Management's Discussion and Analysis

Economic factors and next year's budgets and rates

As of June 2022, the unemployment rate for the Town was at 3.8%, which is lower than the State average unemployment rate of 4.1% and in line with the national unemployment rate of 3.8%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2023 fiscal year.

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 government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Board of Finance at the Town of New Fairfield, 4 Brush Hill Road, New Fairfield, CT 06812.

**Basic
Financial
Statements**

Town of New Fairfield, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

Assets

Current assets:	
Cash	\$ 32,405,884
Investments	25,014,247
Receivables (net):	
Property taxes	317,249
Intergovernmental	737,738
Loans	75,000
Leases	265,522
Other	390,856
Other	55,823
Total current assets	<u>59,262,319</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	271,113
Permanently restricted:	
Cash	482
Total restricted assets	<u>271,595</u>
Receivables (net):	
Property taxes	82,432
Loans	1,256,498
Leases	4,531,013
Total receivables (net)	<u>5,869,943</u>
Capital assets (net of accumulated depreciation/amortization):	
Land	6,950,076
Construction in progress	61,049,784
Land improvements	4,292,508
Buildings and improvements	48,735,864
Vehicles	1,995,529
Machinery and equipment	847,434
Right-to-use leased machinery and equipment	136,558
Infrastructure	22,303,866
Total capital assets	<u>146,311,619</u>
Total noncurrent assets	<u>152,453,157</u>
Total assets	<u>211,715,476</u>

Deferred Outflows of Resources

Deferred charge on refunding	284,970
Deferred outflows related to pensions	3,611,957
Deferred outflows related to OPEB	477,438
Total deferred outflows of resources	<u>4,374,365</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

Liabilities

Current liabilities:	
Accounts payable	\$ 7,891,643
Accrued payroll and related liabilities	448,521
Retainage payable	3,202,583
Accrued interest payable	748,724
Unearned revenue	261,160
Bonds and notes payable	4,449,382
Leases payable	45,152
Compensated absences	78,103
Claims payable	679,000
Overpayments	177,905
Total current liabilities	<u>17,982,173</u>
Noncurrent liabilities:	
Performance bonds	258,880
Bonds, notes, and related liabilities	78,571,482
Leases payable	3,700
Compensated absences	312,410
Net pension liability	5,875,327
Net OPEB liability	568,246
Total noncurrent liabilities	<u>85,590,045</u>
Total liabilities	<u>103,572,218</u>

Deferred Inflows of Resources

Advance property tax collections	1,651,004
Lease related	4,625,717
Pension related	614,910
OPEB related	2,926,235
Total deferred inflows of resources	<u>9,817,866</u>

Net Position

Net investment in capital assets	76,064,688
Restricted for:	
Endowments:	
Nonexpendable	482
Expendable	12,233
Construction projects	38,192,161
Town approved projects	2,056,818
Housing rehabilitation program	1,534,576
Education programs	513,710
Social service programs	58,866
Water operations	28,265
Other	11,122
Unrestricted	<u>(15,773,164)</u>
Total net position	<u>\$ 102,699,757</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

Governmental Activities
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 4,700,643	\$ 1,154,660	\$ 27,546	\$ -	\$ (3,518,437)
Public safety	4,602,486	304,730	13,729	-	(4,284,027)
Public works	3,479,974	565,782	26,042	374,144	(2,514,006)
Health and welfare	626,074	43,809	14,252	-	(568,013)
Culture and recreation	1,236,987	475,678	7,104	-	(754,205)
Education	55,897,014	1,423,667	14,396,696	10,704,229	(29,372,422)
Interest	1,423,672	-	-	-	(1,423,672)
Total	\$ 71,966,850	\$ 3,968,326	\$ 14,485,369	\$ 11,078,373	(42,434,782)
General revenues:					
Property taxes					52,117,122
Grants and contributions not restricted to specific programs					303,490
Income from investments					64,011
Other					21,008
Total general revenues					52,505,631
Change in net position					10,070,849
Net position - July 1, 2021					92,628,908
Net position - June 30, 2022					\$ 102,699,757

Town of New Fairfield, Connecticut

Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Capital Nonrecurring Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 27,407,101	\$ 2,450,676	\$ -	\$ 2,293,432	\$ 32,151,209
Restricted cash	258,880	-	-	-	258,880
Investments	24,181,879	-	-	832,368	25,014,247
Receivables (net):					
Property taxes	399,681	-	-	-	399,681
Intergovernmental	5,067	7,806	-	724,865	737,738
Loans	-	-	-	1,331,498	1,331,498
Leases	-	4,796,535	-	-	4,796,535
Other	274,429	-	-	12,342	286,771
Due from other funds	862,672	179,209	29,591,201	7,018,266	37,651,348
Other	-	-	-	16,448	16,448
Total assets	\$ 53,389,709	\$ 7,434,226	\$ 29,591,201	\$ 12,229,219	\$ 102,644,355
<u>Liabilities</u>					
Accounts payable	\$ 1,856,256	\$ 44,175	\$ 5,323,611	\$ 516,296	\$ 7,740,338
Accrued payroll and related liabilities	417,159	7,535	-	23,827	448,521
Retainage payable	-	-	3,202,583	-	3,202,583
Due to other funds	36,892,920	756,228	998	1,017,191	38,667,337
Unearned revenue	-	46,094	-	208,963	255,057
Overpayments	177,905	-	-	-	177,905
Performance bonds	258,880	-	-	-	258,880
Total liabilities	39,603,120	854,032	8,527,192	1,766,277	50,750,621
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	399,681	-	-	-	399,681
Advance property tax collections	1,651,004	-	-	-	1,651,004
Lease related	-	4,625,717	-	-	4,625,717
Total deferred inflows of resources	2,050,685	4,625,717	-	-	6,676,402
<u>Fund Balances</u>					
Nonspendable	-	-	-	482	482
Restricted	-	-	38,192,161	4,215,590	42,407,751
Committed	-	1,954,477	-	2,724,371	4,678,848
Assigned	249,654	-	-	3,840,128	4,089,782
Unassigned	11,486,250	-	(17,128,152)	(317,629)	(5,959,531)
Total fund balances	11,735,904	1,954,477	21,064,009	10,462,942	45,217,332
Total liabilities, deferred inflows of resources and fund balances	\$ 53,389,709	\$ 7,434,226	\$ 29,591,201	\$ 12,229,219	\$ 102,644,355

(Continued)

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

Reconciliation of Fund Balances to Net Position of Governmental Activities
June 30, 2022

Amounts reported in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balances (Exhibit C, Page 1) \$ 45,217,332

Capital assets are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	95,047,625
Current year additions (net of construction in progress)	54,915,210
Depreciation/amortization expense	(3,266,372)
Disposal of capital assets	<u>(384,844)</u>
Total	<u>146,311,619</u>

Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Deferred charge on refunding	284,970
Deferred outflows related to pensions	3,611,957
Deferred outflows related to OPEB	<u>477,438</u>
Total	<u>4,374,365</u>

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax - accrual basis change	<u>399,681</u>
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Internal service funds are used by management for risk financing activities:

The assets and liabilities of the internal service funds are included in the statement of net position	<u>590,431</u>
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Some liabilities and deferred inflows of resources, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(78,339,382)
Premium	(4,681,482)
Leases payable	(48,852)
Compensated absences	(390,513)
Net pension liability	(5,875,327)
Net OPEB liability	(568,246)
Accrued interest payable	(748,724)
Deferred inflows related to pension	(614,910)
Deferred inflows related to OPEB	<u>(2,926,235)</u>
Total	<u>(94,193,671)</u>

Net position (Exhibit A) \$102,699,757

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Capital Nonrecurring Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 52,354,937	\$ -	\$ -	\$ -	\$ 52,354,937
Intergovernmental	10,766,535	17,039	10,704,229	4,336,552	25,824,355
Charges for services	1,762,028	560,582	-	1,645,716	3,968,326
Contributions	-	-	-	42,877	42,877
Income from investments	54,966	3,450	-	5,595	64,011
Other	21,008	-	-	-	21,008
Total revenues	<u>64,959,474</u>	<u>581,071</u>	<u>10,704,229</u>	<u>6,030,740</u>	<u>82,275,514</u>
Expenditures:					
Current:					
General government	3,782,480	30,780	-	238,392	4,051,652
Public safety	4,068,308	-	-	1,004	4,069,312
Public works	2,242,336	-	-	-	2,242,336
Health and welfare	564,925	-	-	43,261	608,186
Culture and recreation	553,244	-	-	315,883	869,127
Health insurance	6,050,000	-	-	-	6,050,000
Education	42,849,241	-	-	4,802,903	47,652,144
Debt service	3,841,896	-	-	282,933	4,124,829
Capital outlay	-	1,250,158	52,670,137	807,916	54,728,211
Total expenditures	<u>63,952,430</u>	<u>1,280,938</u>	<u>52,670,137</u>	<u>6,492,292</u>	<u>124,395,797</u>
Excess (deficiency) of revenues over expenditures	<u>1,007,044</u>	<u>(699,867)</u>	<u>(41,965,908)</u>	<u>(461,552)</u>	<u>(42,120,283)</u>
Other financing sources (uses):					
Issuance of debt	-	-	35,000,000	-	35,000,000
Premium	-	-	-	2,402,848	2,402,848
Transfers in	-	1,170,779	-	2,091,661	3,262,440
Transfers out	(1,179,516)	(252,802)	(1,720,213)	(109,909)	(3,262,440)
Net other financing sources (uses)	<u>(1,179,516)</u>	<u>917,977</u>	<u>33,279,787</u>	<u>4,384,600</u>	<u>37,402,848</u>
Net change in fund balances	(172,472)	218,110	(8,686,121)	3,923,048	(4,717,435)
Fund balances - July 1, 2021 (as restated)	<u>11,908,376</u>	<u>1,736,367</u>	<u>29,750,130</u>	<u>6,539,894</u>	<u>49,934,767</u>
Fund balances - June 30, 2022	<u>\$ 11,735,904</u>	<u>\$ 1,954,477</u>	<u>\$ 21,064,009</u>	<u>\$ 10,462,942</u>	<u>\$ 45,217,332</u>

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022**

Amounts reported in the statement of activities (Exhibit B) are different due to:

Net change in fund balances - total governmental funds (Exhibit D) \$ (4,717,435)

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/amortization expense:

Capital outlay	54,915,210
Depreciation/amortization expense	<u>(3,266,372)</u>
 Total	 <u>51,648,838</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold or donated:

Disposal of capital assets	<u>(384,844)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in property tax - accrual basis change	<u>(237,815)</u>
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The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of debt	(35,000,000)
Premium	(2,402,848)
 Principal payments:	
General obligation bonds	2,815,000
Notes payable	115,141
Leases payable	<u>121,845</u>
 Total	 <u>(34,350,862)</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

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

Change in:	
Compensated absences	\$ 2,597
Net pension liability	(4,696,589)
Net OPEB liability	490,857
Accrued interest payable	(396,140)
Amortization of:	
Premium	258,995
Deferred outflows of resources related to pension	(91,839)
Deferred inflows of resources related to pension	1,957,415
Deferred outflows of resources related to OPEB	1,979,319
Deferred inflows of resources related to OPEB	316,335
Deferred charges on refunding	<u>(155,990)</u>
Total	<u>(335,040)</u>

Internal service funds are used by management for risk financing activities:

The net revenue (expense) of the activities of the internal service funds is reported with governmental activities	<u>(1,551,993)</u>
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Change in net position (Exhibit B)	<u>\$ 10,070,849</u>
	(Concluded)

Town of New Fairfield, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2022

Internal
Service Fund

Medical
Insurance
Fund

Assets

Current assets:

Cash	\$ 267,390
Accounts receivable	104,085
Due from other funds	1,015,989
Prepaid	<u>39,375</u>
Total current assets	<u>1,426,839</u>

Liabilities

Current liabilities:

Accounts payable	151,305
Claims payable	679,000
Unearned revenue	<u>6,103</u>
Total current liabilities	<u>836,408</u>

Net Position

Unrestricted	<u><u>\$ 590,431</u></u>
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The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Internal Service Fund</u>
	<u>Medical Insurance Fund</u>
Operating revenues:	
Charges for services	<u>\$ 7,349,620</u>
Operating expenses:	
Claims	7,628,723
HSA contributions	620,862
Wellness incentives	25,491
Administration and insurance	<u>626,537</u>
Total operating expenses	<u>8,901,613</u>
Change in net position	(1,551,993)
Net position - July 1, 2021	<u>2,142,424</u>
Net position - June 30, 2022	<u><u>\$ 590,431</u></u>

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	<u>Internal Service Fund</u>
	<u>Medical Insurance Fund</u>
Cash flows from (used in) operating activities:	
Cash received for charges	\$ 7,211,177
Cash paid for claims	(7,318,723)
Cash paid for administration	<u>(1,268,020)</u>
Net cash from (used in) operating activities	(1,375,566)
Cash - July 1, 2021	<u>1,642,956</u>
Cash - June 30, 2022	<u>\$ 267,390</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$(1,551,993)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	(90,548)
Due from other funds	(12,039)
Prepaid	(39,375)
Increase (decrease) in:	
Accounts payable	4,870
Claims payable	310,000
Unearned revenue	<u>3,519</u>
Net cash from (used in) operating activities	<u><u>\$(1,375,566)</u></u>

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	Pension and OPEB Trust Funds	Custodial Fund
<u>Assets</u>		
Investments:		
Mutual funds:		
Money market	\$ 233,943	\$ -
Equity	13,350,836	-
U.S. government obligations	10,392,519	-
Annuities	-	731,901
Total investments	23,977,298	731,901
<u>Net Position</u>		
Restricted for:		
Pensions	20,245,589	-
OPEB	3,731,709	-
Individuals and organizations	-	731,901
Total net position	\$ 23,977,298	\$ 731,901

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension and OPEB Trust Funds	Custodial Fund
	<u> </u>	<u> </u>
Additions:		
Contributions	\$ 1,273,211	\$ 60,245
Investment income (loss):		
Net change in fair value of investments	(4,492,473)	70
Interest and dividends	<u>570,235</u>	<u>26,242</u>
Total investment income (loss)	(3,922,238)	26,312
Less investment expense	<u>88,348</u>	<u>-</u>
Net investment income (loss)	<u>(4,010,586)</u>	<u>26,312</u>
Total additions	<u>(2,737,375)</u>	<u>86,557</u>
Deductions:		
Benefits	1,070,991	-
Administration	<u>79,998</u>	<u>1,519</u>
Total deductions	<u>1,150,989</u>	<u>1,519</u>
Change in net position	(3,888,364)	85,038
Net position - July 1, 2021	<u>27,865,662</u>	<u>646,863</u>
Net position - June 30, 2022	<u>\$ 23,977,298</u>	<u>\$ 731,901</u>

The notes to financial statements are an integral part of this statement.

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****History and organization**

The Town of New Fairfield, Connecticut (“Town”) is a municipal corporation governed by a selectmen-town meeting form of government. Under this form of government, the town meeting is the legislative body. A town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public school system. The elected Board of Finance is the budget making authority and supervises the town financial matters.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and, therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

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

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Measurement focus, basis of accounting and financial statement presentation (continued)

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

Expenditure reimbursement type grants, certain intergovernmental revenues, charges, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital Nonrecurring Fund	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities.
School Construction Fund	Accounts for resources to be used for the approved school construction projects.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.
Debt Service Fund	Accounts for and reports resources and expenditures that are assigned for the repayment of debt.
Capital Project Funds	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Permanent Funds	Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Internal Service Fund	Accounts for risk financing activities for medical and dental insurance benefits as allowed by GASB Statement No. 10.
Pension Trust Funds	Accounts for the activities of the Town of New Fairfield Retirement Plan and New Fairfield Board of Education Retirement Plan, which accumulate resources for pension benefit payments to qualified employees.
OPEB Trust Funds	Accounts for the activities of the OPEB Plan which accumulates resources for OPEB benefits.
Custodial Funds	Accounts for monies held on behalf of students and for the volunteer firemen awards program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Town’s internal service fund are charges to Town departments for medical and dental insurance premiums.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town pension and OPEB plans, the Connecticut Municipal Employees Retirement System (“MERS”), the Connecticut State Teachers’ Retirement System (“TRS”), and the Connecticut State Retiree Health Insurance Plan (“RHIP”) have been determined on the same basis as they are reported by the Town’s pension and OPEB plans, MERS, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash and investments

a. Cash

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes, the Town considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31.00% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

State Treasurer’s Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The Town's pension and OPEB funds have adopted a formal investment policy that defines allowable investments, asset allocation guidelines, diversification guidelines and fixed income and cash guidelines.

The investment guidelines are as follows:

Asset Class	Target Allocation		
	Pension		
	Town	Education	OPEB
Equity	60.60%	46.40%	55.00%
Fixed income	39.40%	53.60%	40.00%
U.S. REITs	0.00%	0.00%	5.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

c. Method used to value investments

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town uses laddered certificates of deposit to reduce custodial risk credit.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to foreign currency risk.

2. Receivables and payables

a. Interfunds

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

b. Property taxes and other receivables

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

In the fund financial and government-wide financial statements, all trade, property tax and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 5.00% to 29.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property tax revenues are recognized when they become available. Only taxes collected during the fiscal year are recorded as revenue.

c. Leases receivable

The Town is a lessor for noncancellable leases of buildings and land. 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 related to leases include:

Discount Rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	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.

3. Restricted assets

The restricted assets for the Town are restricted for endowments and performance bonds. The trust agreement restricts the expenditure of the income from investment only for the designated purpose. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**4. Capital assets**

Capital assets, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land is considered inexhaustible and, therefore, not depreciated. All land is capitalized. Construction in progress has not been put into service yet and, therefore, is not depreciated. Property, plant, and equipment of the Town are depreciated or amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land improvements	15-30	\$ 20,000
Buildings and improvements	50	20,000
Machinery and equipment	5-20	5,000
Vehicles	5-20	5,000
Infrastructure	50	100,000
Right-to-use leased assets	Lease term	5,000

5. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions, net difference between projected and actual earnings on plan investments, changes in proportional share and contributions subsequent to measurement date. The deferred outflow or inflow related to differences between expected and actual experience, changes in assumptions, and changes in proportional share will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period. The deferred outflow related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year.

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the refunded or refunding debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

Town employees accumulate vacation hours for subsequent use or for payment upon termination or retirement. Vacation expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

7. Long-term liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt 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, and debt payments, are reported as expenditures.

8. Lease liabilities

The Town is a lessee for noncancellable leases of equipment. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

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:

Discount rate	The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to the present value. 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.
Lease term	The lease term includes the noncancellable period of the lease.
Lease payments	Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the Town is 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 on the statement of net position.

9. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	This category presents the net position of the Town which is not classified in the preceding two categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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 policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Board of Finance.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the approval of a resolution by the Board of Finance or by a properly approved purchase order (encumbrances).
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Finance has provided otherwise in its commitment or assignment actions.

Minimum fund balance policy

The Board of Finance shall propose annual budgets that provide for first accumulating and thereafter maintaining an unassigned fund balance of not less than two months (16.67%) of total operating expenditures. Certain circumstances may justify significantly higher minimum target levels. Annually, the Board of Finance shall monitor and modify the minimum fund balance requirements. In the event the unassigned fund balance becomes greater than two months (16.67%), the excess may be used for purposes described in the policy.

10. Use of estimates

The preparation of the 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 of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**11. Reclassification**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. 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 the budgetary statements included as required supplementary information.

Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Donor-restricted endowments

The Town has received certain endowments for the improvement and betterment of the New Fairfield library. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Library Board or the applicable Trustee and is included in restricted fund balance.

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 upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

C. Capital projects authorization

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
High school project	\$ 84,220,000	\$ 36,721,009	\$ 47,498,991
Consolidated Early Learning Academy project	<u>29,190,000</u>	<u>20,775,820</u>	<u>8,414,180</u>
Total	<u>\$ 113,410,000</u>	<u>\$ 57,496,829</u>	<u>\$ 55,913,171</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

III. Detailed notes**A. Cash and investments****1. Deposits – custodial credit risk**

At year end, the Town's bank balance including certificates of deposit classified as investments, was \$52,497,054 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 33,806,737
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>12,594,814</u>
Total amount subject to custodial credit risk	<u>\$ 46,401,551</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

2. Investments

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	6-10 Years
Mutual funds:					
Money market	\$ 233,943	\$ -	\$ 233,943	\$ -	\$ -
Equity	13,350,836	13,350,836	-	-	-
U.S. government obligations	10,392,519	-	-	10,392,519	-
Certificates of deposit	12,219,506	-	12,219,506	-	-
Pooled fixed income	12,794,741	-	12,794,741	-	-
Annuities	731,901	-	-	-	731,901
Total	49,723,446	<u>\$ 13,350,836</u>	<u>\$ 25,248,190</u>	<u>\$ 10,392,519</u>	<u>\$ 731,901</u>
Pension, OPEB and custodial funds	<u>(24,709,199)</u>				
Other funds	<u>\$ 25,014,247</u>				

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

b. The Town had the following recurring fair value measurements:

	Amount	Quoted Market	Significant
		Prices in Active Markets Level 1	Unobservable Inputs Level 3
Investments by fair value level			
Mutual funds			
Money market	\$ 233,943	\$ 233,943	\$ -
Equity	13,350,836	13,350,836	-
U.S. government obligations	10,392,519	10,392,519	-
Annuities	731,901	-	731,901
Total investments by fair value level	<u>24,709,199</u>	<u>\$ 23,977,298</u>	<u>\$ 731,901</u>
Other investments			
Certificates of deposit	12,219,506		
Pooled fixed income	<u>12,794,741</u>		
Total other investments	<u>25,014,247</u>		
Total investments	<u>\$ 49,723,446</u>		

Level 1: Quoted prices for identical investments in active markets.

Level 3: Unobservable inputs. Carrying value or fair value of the underlying assets as available.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings		
	AAA	Unrated	Total
Mutual funds			
Money market	\$ 233,943	\$ -	\$ 233,943
U.S. government obligations	-	10,392,519	10,392,519
Pooled fixed income	12,794,741	-	12,794,741
Annuities	-	731,901	731,901
Total	<u>\$ 13,028,684</u>	<u>\$ 11,124,420</u>	<u>\$ 24,153,104</u>

d. The Town's investments are not subject to custodial credit risk.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables

1. Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below:

	Property Taxes			CDBG Loans
	Taxes	Interest and Lien Fees	Total	
Current portion	<u>\$ 213,023</u>	<u>\$ 104,226</u>	<u>\$ 317,249</u>	<u>\$ 75,000</u>
Long-term portion	137,459	54,973	192,432	1,331,498
Less allowance for uncollectibles	<u>(65,000)</u>	<u>(45,000)</u>	<u>(110,000)</u>	<u>(75,000)</u>
Net long-term portion	<u>\$ 72,459</u>	<u>\$ 9,973</u>	<u>\$ 82,432</u>	<u>\$1,256,498</u>

2. Leases receivable

The Town reports the following lease balances and activity as of and for the year ended June 30, 2022:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Cell towers	\$ 4,796,535	<u>\$ 4,625,717</u>	<u>\$ 424,103</u>	<u>\$ 126,750</u>
Less: current portion	<u>(265,522)</u>			
Long-term portion	<u>\$ 4,531,013</u>			

Description	Lease Agreement Terms
Cell tower	The Town is lessor for 7 lease agreements for the right to use various cell towers. The leases all include automatic renewal terms. All cell tower agreements range from 2-18 years left in their current terms.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts**1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund:			
Capital Nonrecurring Fund	N/A	\$ -	\$ 40,428
School Construction Fund	N/A	-	29,591,201
Special Revenue Funds	N/A	461,700	294,502
Debt Service Fund	N/A	-	3,840,128
Capital Projects Funds	N/A	400,972	2,110,672
Medical Insurance Fund	N/A	-	1,015,989
Total General Fund		<u>862,672</u>	<u>36,892,920</u>
Capital Nonrecurring Fund:			
General Fund	N/A	40,428	-
Recreation Programs Fund	N/A	110,124	-
Education Capital Nonrecurring Fund	N/A	-	756,228
School Capital Project Fund	N/A	28,657	-
Total Capital Nonrecurring Fund		<u>179,209</u>	<u>756,228</u>
School Construction Fund:			
General Fund	N/A	29,591,201	-
Education Capital Nonrecurring Fund	N/A	-	998
Total School Construction Fund		<u>29,591,201</u>	<u>998</u>
<u>Other Governmental Funds</u>			
Special Revenue Funds:			
Education Grants Fund	General Fund	-	290,485
Education Grants Fund	Education User Surcharges Fund	-	10
Dog Registration Fund	General Fund	-	18,486
Groovin' in New Fairfield Fund	General Fund	3,637	-
Miscellaneous Grants Fund	General Fund	18,914	-
Miscellaneous Grants Fund	Senior Center Fund	-	4,948
Senior Center Fund	General Fund	54,619	-
Senior Center Fund	Miscellaneous Grants Fund	4,948	-
Commission for the Youth Fund	General Fund	10,287	-

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Recreation Programs Fund	General Fund	\$ -	\$ 2,798
Recreation Programs Fund	Capital Nonrecurring Fund	-	110,124
Recreation Programs Fund	Education User Surcharges Fund	-	10,780
Education User Surcharges Fund	General Fund	207,045	-
Education User Surcharges Fund	Education Grants Fund	10	-
Education User Surcharges Fund	Recreation Programs Fund	10,780	-
Drop Off Center Fund	General Fund	-	149,931
Debt Service Fund	General Fund	3,840,128	-
Capital Projects Funds:			
Fire Company Reserve Fund	General Fund	-	30,911
Education Capital Nonrecurring Fund	General Fund	-	125,000
Education Capital Nonrecurring Fund	Capital Nonrecurring Fund	756,228	-
Education Capital Nonrecurring Fund	School Construction Fund	998	-
School Capital Project Fund	General Fund	19,907	-
School Capital Project Fund	Capital Nonrecurring Fund	-	28,657
MHHS Septic Fund	General Fund	-	90,565
Town Center Beautification Fund	General Fund	33,947	-
MHHS/HS Renovations Fund	General Fund	-	154,496
American Rescue Plan Act Fund	General Fund	2,056,818	-
Total Other Governmental Funds		<u>7,018,266</u>	<u>1,017,191</u>
Internal Service Fund			
Medical Insurance Fund	General Fund	<u>1,015,989</u>	<u>-</u>
Total		<u>\$ 38,667,337</u>	<u>\$ 38,667,337</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have a cash account.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts (continued)**2. Interfund transfers**

A summary of interfund transfers for the fiscal year is as follows:

	<u>Corresponding Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:			
Capital Nonrecurring Fund	N/A	\$ -	\$ 1,060,870
Capital Projects Funds	N/A	-	118,646
Total General Fund		-	1,179,516
Capital Nonrecurring Fund:			
General Fund	N/A	1,060,870	-
Recreation Programs Fund	N/A	109,909	-
Fire Company Reserve Fund	N/A	-	159,413
Education Capital Nonrecurring Fund	N/A	-	93,389
Total Capital Nonrecurring Fund		1,170,779	252,802
School Construction Fund	Debt Service Fund	-	1,720,213
Special Revenue Funds:			
Recreation Programs Fund	Capital Nonrecurring Fund	-	109,909
Debt Service Fund	School Construction Fund	1,720,213	-
Capital Projects Funds:			
Fire Company Reserve Fund	Capital Nonrecurring Fund	159,413	-
Education Capital Nonrecurring Fund	General Fund	118,646	-
Education Capital Nonrecurring Fund	Capital Nonrecurring Fund	93,389	-
Total Other Governmental Funds		2,091,661	109,909
Total		<u>\$ 3,262,440</u>	<u>\$ 3,262,440</u>

Transfers are used to move budgeted appropriations from the general fund for debt service and funding of the capital projects funds and various programs and activities in other funds.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2021 <u>(as restated)</u>	Increase	Decrease	Balance June 30, 2022
Capital assets, not being depreciated/ amortized:				
Land	\$ 6,525,076	\$ 425,000	\$ -	\$ 6,950,076
Construction in progress	<u>7,589,617</u>	<u>53,511,295</u>	<u>51,128</u>	<u>61,049,784</u>
Total capital assets, not being depreciated/amortized	<u>14,114,693</u>	<u>53,936,295</u>	<u>51,128</u>	<u>67,999,860</u>
Capital assets, being depreciated/ amortized:				
Land improvements	6,785,435	66,856	12,907	6,839,384
Buildings and improvements	86,233,808	543,719	327,329	86,450,198
Vehicles	7,384,119	288,893	-	7,673,012
Machinery and equipment	4,127,381	130,575	44,608	4,213,348
Right-to-use leased machinery and equipment	170,697	-	-	170,697
Infrastructure	<u>45,292,077</u>	<u>-</u>	<u>-</u>	<u>45,292,077</u>
Total capital assets, being depreciated/ amortized	<u>149,993,517</u>	<u>1,030,043</u>	<u>384,844</u>	<u>150,638,716</u>
Total capital assets	<u>164,108,210</u>	<u>54,966,338</u>	<u>435,972</u>	<u>218,638,576</u>
Less accumulated depreciation/ amortization for:				
Land improvements	2,287,532	259,344	-	2,546,876
Buildings and improvements	35,930,208	1,784,126	-	37,714,334
Vehicles	5,265,774	411,709	-	5,677,483
Machinery and equipment	3,095,995	269,919	-	3,365,914
Right-to-use leased machinery and equipment	-	34,139	-	34,139
Infrastructure	<u>22,481,076</u>	<u>507,135</u>	<u>-</u>	<u>22,988,211</u>
Total accumulated depreciation/amortization	<u>69,060,585</u>	<u>3,266,372</u>	<u>-</u>	<u>72,326,957</u>
Total capital assets, being depreciated/ amortized, net	<u>80,932,932</u>	<u>(2,236,329)</u>	<u>384,844</u>	<u>78,311,759</u>
Capital assets, net	<u>\$ 95,047,625</u>	<u>\$ 51,699,966</u>	<u>\$ 435,972</u>	<u>\$ 146,311,619</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets (continued)

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

General government	\$ 74,664
Public safety	465,067
Public works	665,500
Health and welfare	3,107
Culture and recreation	268,636
Education	<u>1,789,398</u>
 Total depreciation/amortization expense	 <u><u>\$ 3,266,372</u></u>

E. Construction commitments

The Town has the following construction contract commitments:

High School project	\$ 35,153,046
Consolidated Early Learning Academy project	<u>3,039,115</u>
 Total	 <u><u>\$ 38,192,161</u></u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities

General obligation bonds, equipment financing notes and leases are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

The following is a summary of changes in long-term liabilities during the fiscal year:

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
Bonds:										
General Purpose:										
Refunding bond	\$ 863,000	2016	06/30/30	2.00-4.00%	\$ 863,000	\$ -	\$ -	\$ 863,000	\$ 110,000	\$ 753,000
Refunding bond	1,116,000	2017	07/15/30	3.00-4.00%	689,000	-	201,000	488,000	97,000	391,000
Total general purpose	1,979,000				1,552,000	-	201,000	1,351,000	207,000	1,144,000
School bonds:										
Refunding bond	7,857,000	2016	06/30/30	2.00-4.00%	7,857,000	-	-	7,857,000	655,000	7,202,000
Refunding bond	6,639,000	2017	07/15/30	3.00-4.00%	4,096,000	-	1,194,000	2,902,000	578,000	2,324,000
Improvement bond	8,000,000	2020	03/15/40	2.00-4.00%	7,600,000	-	400,000	7,200,000	400,000	6,800,000
Improvement bond	25,000,000	2021	04/23/41	2.00-4.00%	25,000,000	-	1,020,000	23,980,000	1,260,000	22,720,000
Improvement bond	35,000,000	2022	03/01/42	2.00-4.00%	-	35,000,000	-	35,000,000	1,300,000	33,700,000
Total school bonds	82,496,000				44,553,000	35,000,000	2,614,000	76,939,000	4,193,000	72,746,000
Total bonds					46,105,000	35,000,000	2,815,000	78,290,000	4,400,000	73,890,000
Notes (direct borrowings):										
Equipment financing notes:										
Copiers	\$ 589,749	2017	11/01/22	4.00%	164,523	-	115,141	49,382	49,382	-
Total bonds and notes					46,269,523	35,000,000	2,930,141	78,339,382	4,449,382	73,890,000
Premium					2,537,629	2,402,848	258,995	4,681,482	-	4,681,482
Total bonds, notes and related liabilities					48,807,152	37,402,848	3,189,136	83,020,864	4,449,382	78,571,482

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions	Balance June 30, 2022	Current Portion	Long-Term Portion
Leases					\$ 170,697	\$ -	\$ 121,845	\$ 48,852	\$ 45,152	\$ 3,700
Compensated absences					393,110	410,102	412,699	390,513	78,103	312,410
Net pension liability					1,178,738	6,227,490	1,530,901	5,875,327	-	5,875,327
Net OPEB liability					1,059,103	1,046,586	1,537,443	568,246	-	568,246
Total long-term liabilities					<u>\$ 51,608,800</u>	<u>\$ 45,087,026</u>	<u>\$ 6,792,024</u>	<u>\$ 89,903,802</u>	<u>\$ 4,572,637</u>	<u>\$ 85,331,165</u>

All long-term liabilities are generally liquidated by the general fund.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)**2. The following is a summary of principal and interest amounts of bond and note maturities:**

Year Ended June 30	Bond Principal	Equipment Financing Notes Principal	Total Interest
2023	\$ 4,400,000	\$ 49,382	\$ 2,507,133
2024	4,870,000	-	2,329,163
2025	4,860,000	-	2,120,588
2026	4,870,000	-	1,908,238
2027	4,885,000	-	1,710,638
2028	4,860,000	-	1,520,363
2029	4,860,000	-	1,330,463
2030	4,840,000	-	1,153,463
2031	4,105,000	-	1,005,538
2032	3,435,000	-	891,288
2033	3,435,000	-	804,838
2034	3,440,000	-	718,188
2035	3,440,000	-	631,238
2036	3,440,000	-	551,188
2037	3,440,000	-	469,163
2038	3,435,000	-	386,050
2039	3,435,000	-	301,990
2040	3,435,000	-	216,845
2041	3,035,000	-	130,615
2042	1,770,000	-	53,100
Total	<u>\$ 78,290,000</u>	<u>\$ 49,382</u>	<u>\$ 20,740,090</u>

3. Assets pledged as collateral

The Town's outstanding equipment financing notes are secured with collateral of the equipment purchased of \$49,382.

4. Statutory debt limitations

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$350,615,853.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Changes in long-term liabilities (continued)**5. Statutory debt limitations**

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

	Debt Limitation	Net Indebtedness	Balance
General Purpose	\$ 112,697,953	\$ 1,351,000	\$ 111,346,953
Schools	225,395,906	76,939,000	148,456,906
Sewers	187,829,921	-	187,829,921
Urban Renewal	162,785,932	-	162,785,932
Pension Deficit	150,263,937	-	150,263,937

6. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

Schools	<u>\$ 45,410,000</u>
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F. Changes in long-term liabilities (continued)**7. Leases**

Lease agreements are summarized as follows:

Description	Date	Lease Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2022
Postage machines	1/31/2019	3.00	2.51%	\$ 16,052	\$ 9,953
Education copiers	5/1/2013	2.00	2.51%	154,645	38,899
Total				<u>\$ 170,697</u>	<u>\$ 48,852</u>

*As of GASB No. 87 implementation date of July 1, 2021.

**All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the lease agreement.

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2023	\$ 45,152	\$ 1,226
2024	<u>3,700</u>	<u>93</u>
Totals	<u>\$ 48,852</u>	<u>\$ 1,319</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Fund balances and restricted net position

Fund balances are composed of the following:

	General Fund	Capital Nonrecurring Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Library operations	\$ -	\$ -	\$ -	\$ 482	\$ 482
Restricted					
Construction project	-	-	38,192,161	-	38,192,161
Cemetery operations	-	-	-	8,295	8,295
Cafeteria operations *	-	-	-	510,900	510,900
School activities	-	-	-	2,810	2,810
Housing rehabilitation programs	-	-	-	1,534,576	1,534,576
Library operations	-	-	-	12,233	12,233
Public safety - police	-	-	-	2,827	2,827
Social services programs	-	-	-	58,866	58,866
Water operations *	-	-	-	28,265	28,265
Town improvement projects	-	-	-	2,056,818	2,056,818
Total restricted	-	-	38,192,161	4,215,590	42,407,751
Committed					
General government programs	-	-	-	13,799	13,799
Public safety programs	-	-	-	27,445	27,445
Approved projects	-	1,954,477	-	4,089	1,958,566
Education programs	-	-	-	704,913	704,913
Education approved projects	-	-	-	375,996	375,996
Library operations	-	-	-	81,995	81,995
Fire department capital projects	-	-	-	656,247	656,247
School activities	-	-	-	607,250	607,250
Culture and recreation programs	-	-	-	252,637	252,637
Total committed	-	1,954,477	-	2,724,371	4,678,848
Assigned					
General government	13,545	-	-	-	13,545
Public works	101,867	-	-	-	101,867
Education	134,242	-	-	-	134,242
Debt service	-	-	-	3,840,128	3,840,128
Total assigned	249,654	-	-	3,840,128	4,089,782
Unassigned	11,486,250	-	(17,128,152)	(317,629)	(5,959,531)
Total	<u>\$11,735,904</u>	<u>\$1,954,477</u>	<u>\$21,064,009</u>	<u>\$10,462,942</u>	<u>\$45,217,332</u>

*The amount of restricted net position, which was restricted by enabling legislation, totaled: \$ 539,165

General fund encumbrances total: \$ 249,654

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

H. Deficit Fund Balance

The following funds had deficit fund balances at year end:

Special Revenue Funds:	
Drop Off Center Fund	\$ 63,818
Capital Project Funds:	
School Capital Project Fund	8,750
MHHS Septic Fund	90,565
MHHS/HS Renovation Fund	154,496

The deficits will be eliminated by future charges for services and transfers from the general fund.

IV. Other information**A. Risk management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The Town is a member in Connecticut Interlocal Risk Management Association ("CIRMA"). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The Town is a member of CIRMA's Liability-Automobile-Property Pool a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Risk management (continued)

The Board of Education self-insures its employees for medical and dental claims through the aggregate use of an internal service fund. Maximum liability to the Board of Education per covered participant is \$250,000 and an aggregate stop loss of 120% of the projected premiums. The Board of Education retains an insurance policy for employee claims in excess of these limits. A third party administers the plan for which the Board of Education pays an administrative fee. The plan is funded monthly by employer contributions.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss for medical and dental claims. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Internal Service Fund is funded by the General Fund based on estimated cost of claim payments based on employee census, historical cost estimates of the amounts needed to pay prior and current year claims and administration. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

The following is a summary of changes in claims liability during the year:

<u>Fiscal Year</u>	<u>Claims Payable July 1</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable June 30</u>
2020-2021	\$ 359,000	\$ 5,618,906	\$ 5,608,906	\$ 369,000
2021-2022	369,000	7,628,723	7,318,723	679,000

B. Commitments and litigation

The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of certain cases is not presently determinable. The resolution of these matters are not expected to have a material adverse effect on the financial condition of the Town.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

V. Pensions and other post-employment benefit plans

A. Town pension plans

1. Plan description

a. Plan administration

The Town is the administrator of two single employer public employee retirement systems, the Town Plan and the Education Plan (“Plans”) established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers covered under the Connecticut State Teachers’ Retirement System). The Plans are considered to be part of the Town’s financial reporting entity and are included in the Town’s financial statements as a pension trust fund. The plan does not issue a separate report. The plan provides retirement benefits through a single employer noncontributory defined benefit plan. Management of the plan rests with the Town Treasurer. There is an advisory committee that provides input and consists of one member from each of the boards of finance, selectmen and education, the finance director and one member of the public.

b. Plan membership

As of July 1, 2021, membership consisted of the following:

	Town	Education
Active members	45	117
Terminated employees entitled to benefits	26	56
Retirees, disabled employees, and beneficiaries receiving benefits	27	43
Total	98	216

2. Benefit provisions

The benefit provision for each plan are as follows:

Provision	Town Plan	Education Plan
Normal retirement age	Age 65	Age 65 or 10 years of service
Benefit calculation	1.00% of final average earnings before January 1, 1991 and 2.00% after that date	Paraprofessionals: 1.00% of average compensation Secretaries: 1.75% of average compensation All others: 2.00% of average compensation, except for Building and Grounds Director is 3.00%

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

Provision	Town Plan	Education Plan
Final average compensation	Highest average gross compensation received during any 3 consecutive calendar years	Average of last 5 years compensation
Early retirement age	Age 62	
Early retirement service requirement		Ten years before normal retirement date
Early retirement amount	Normal pension accrued, actuarially reduced by number of months retirement preceded normal retirement date.	Normal pension accrued, reduced by 6 2/3% for each year up to 5 years and 3 1/3% for each years between 5 and 10 year before normal retirement date
Vesting - service	After 5 years	Paraprofessionals: 25% after 5 years increasing to 100% after 10 years All other: 100% after 5 years

3. Contributions

No employee contributions are required.

The Town is required to contribute all amounts necessary to finance coverage as determined through biennial actuarial valuations. Contributions as a percentage of pensionable wages during the year were as follows:

<u>Town Plan</u>	<u>Education Plan</u>
14.64%	11.89%

4. Investments

a. Investment policy

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

The following was the Board's adopted asset allocation policy for both the Town's and Education's Retirement Plans:

Asset Class	Target Allocation	
	Town	Education
U.S. large caps	26.00%	20.20%
U.S. small caps	10.00%	8.00%
Foreign developed equity	20.20%	15.00%
Emerging markets equity	4.40%	3.20%
U.S. core fixed income	33.10%	45.70%
U.S. short bonds	4.50%	6.50%
Non-U.S. bonds	1.80%	1.40%
Total	100.00%	100.00%

b. Concentrations

There were no investments in any one organization that represented 5.00% of the pension plans' net position.

c. Rate of return

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation (see the discussion of the pension plans' investment policy) are as follows:

Asset Class	Town	Education
	Long-term Expected Real Rate of Return	
U.S. large caps	3.65%	3.65%
U.S. small caps	3.89%	3.89%
Foreign developed equity	4.52%	4.52%
Emerging markets equity	4.95%	4.95%
U.S. core fixed income	1.26%	1.26%
U.S. short bonds	14.00%	14.00%
Non-U.S. bonds	(0.71%)	(0.71%)
Assumed inflation - mean	2.50%	2.50%
Assumed inflation - standard deviation	1.16%	1.16%
Long-term expected nominal rate of return	6.75%	6.25%
Portfolio standard deviation	10.94%	8.38%

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

	<u>Town</u>	<u>Education</u>
Rate of return	(14.83%)	(13.67%)

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability are as follows:

	<u>Town</u>	<u>Education</u>
Total pension liability	\$ 13,394,567	\$ 12,118,159
Plan fiduciary net position	<u>10,459,487</u>	<u>9,786,102</u>
Net pension liability	<u>\$ 2,935,080</u>	<u>\$ 2,332,057</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>78.09%</u>	<u>80.76%</u>

6. Actuarial methods and significant assumptions

The net pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Town</u>	<u>Education</u>
Valuation date	July 1, 2021	July 1, 2021
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	6.75%	6.25%
Asset valuation method	Fair value	Fair value
Inflation	2.50%	2.50%
Salary increases	Varied by age range	Varied by age range
Cost of living adjustments	None	None
Mortality rates	PubG-2010 Mortality Table for Employees, Healthy Annuitants and Disabled Annuitants with generational projection of future improvements per the MP-2019 Ultimate scale	PubG-2010 Mortality Table with generational projection of future improvements per the MP-2019 Ultimate scale

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)**7. Changes from prior year****a. Changes in assumptions**

There were no changes in assumptions.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was as follows:

	Town	Education
Discount rate	6.75%	6.25%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

9. Changes in the net pension liability

The Town and Education's net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The changes in net pension liability were as follows:

	Increase (Decrease)		
Town	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2021	\$ 12,412,553	\$ 12,324,635	\$ 87,918
Service cost	269,909	-	269,909
Interest	842,051	-	842,051
Differences between expected and actual experience	292,216	-	292,216
Contributions - employer	-	442,409	(442,409)
Net investment income (loss)	-	(1,857,636)	1,857,636
Benefit payments, including refunds of member contributions	(422,162)	(422,162)	-
Administration	-	(27,759)	27,759
Net change	982,014	(1,865,148)	2,847,162
Balance at June 30, 2022	\$13,394,567	\$ 10,459,487	\$2,935,080

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

Education	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2021	\$ 11,493,917	\$ 11,212,237	\$ 281,680
Service cost	330,431	-	330,431
Interest	729,820	-	729,820
Differences between expected and actual experience	(137,019)	-	(137,019)
Contributions - employer	-	480,963	(480,963)
Net investment income (loss)	-	(1,573,344)	1,573,344
Benefit payments, including refunds of member contributions	(298,990)	(298,990)	-
Administration	-	(34,764)	34,764
Net change	624,242	(1,426,135)	2,050,377
Balance at June 30, 2022	<u>\$12,118,159</u>	<u>\$ 9,786,102</u>	<u>\$2,332,057</u>

10. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the Town and Education plans, calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Net Pension Liability	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town	<u>6.75%</u>	<u>\$ 4,560,040</u>	<u>\$ 2,935,080</u>	<u>\$ 1,560,219</u>
Education	<u>6.25%</u>	<u>\$ 3,777,146</u>	<u>\$ 2,332,057</u>	<u>\$ 1,116,007</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

11. Pension expense and deferred outflows and inflows of resources

For the fiscal year, the Town recognized pension expense of \$889,667 for the Town plan and \$856,086 for the Education plan. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Town</u>	<u>Deferred Outflows of Resources</u>		
Differences between expected and actual experience	\$ 275,617		
Changes in assumptions	236,996		
Net difference between projected and actual earnings on pension plan investments	<u>1,171,391</u>		
Total	<u>\$ 1,684,004</u>		
<u>Education</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 72,671	\$ 136,657	\$ (63,986)
Changes in assumptions	216,207	-	216,207
Net difference between projected and actual earnings on pension plan investments	<u>1,119,370</u>	<u>-</u>	<u>1,119,370</u>
Total	<u>\$ 1,408,248</u>	<u>\$ 136,657</u>	<u>\$ 1,271,591</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which were as follows:

<u>Plan</u>	<u>Years</u>
Town	3.68
Education	3.60

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Town pension plans (continued)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Town	Education
2023	\$ 548,158	\$ 427,001
2024	369,128	205,906
2025	228,892	182,935
2026	<u>537,826</u>	<u>455,749</u>
Total	<u>\$ 1,684,004</u>	<u>\$ 1,271,591</u>

B. Connecticut municipal employees’ retirement system

1. Plan description

The Connecticut Municipal Employees’ Retirement System (“MERS”) is the public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. MERS is a cost-sharing defined benefit pension plan administered by the Connecticut State Retirement Commission.

Municipalities may designate which departments (including elective officers if so specified) are to be covered under the Connecticut Municipal Employees’ Retirement System (“MERS”). This designation may be the result of collective bargaining. Only employees covered under the State Teachers’ Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

2. Benefit provisions

Normal retirement	
General Employees	Age 55 with 5 years of continuous service, or 15 years of active aggregate service or 25 years of aggregate service
Police and Firemen	Compulsory retirement age is age 65

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)

2. Benefit provisions

Normal retirement	
Benefit calculation	The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits.
With social security	1.50% of the average final compensation not in excess of the year's breakpoint plus 2.00% of average final compensation in excess of the year's breakpoint, times years of service. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.
Without social security	2.00% of average final compensation, times years of service
Final average compensation	Average of the three highest paid years of service

Early retirement	5 years of continuous service or 15 years of active aggregate service
Early retirement amount	Calculated on the basis of average final compensation and service to date of termination. Deferral to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.
Service connected disability amount	Calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability
Non-service connected disability service requirement	10 years of service
Non-service connected disability service amount	Calculated based on compensation and service to the date of the disability
Pre-retirement death benefit amount	Lump-sum return of contributions with interest of if vested and married, the surviving spouse will receive a lifetime benefit
Cost of living increases	2.50% - 6.00% depending on retirement date and increase in CPI

3. Contributions

Employer

Participating municipalities make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)Employees

For employees not covered by social security, each person is required to contribute 6.00% of compensation.

For employees covered by social security, each person is required to contribute 3.25% of compensation up to the social security taxable wage base plus 6.00% of compensation, if any, in excess of such base.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reported \$608,190 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportionate share of the net pension liability was based upon the Town's 2021 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date. The Town's proportional share was 1.206742% for the police and fire with social security sub plan. There was a 0.226243% increase in the proportional share of the police and fire with social security sub plan from the prior year.

Subsequent to the measurement date, there were no changes in benefit terms or any expected changes that will have an impact on the measurement of the net pension liability.

For the fiscal year, the Town recognized pension expense of \$120,649. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Difference between expected and actual experience	\$ 47,302	\$ 82,211	\$ (34,909)
Change of assumptions	79,339	-	79,339
Changes in proportional share	207,015	128,473	78,542
Net difference between projected and actual earnings on pension plan investments	-	267,569	(267,569)
Contributions subsequent to measurement date	<u>186,049</u>	<u>-</u>	<u>186,049</u>
Total	<u>\$ 519,705</u>	<u>\$ 478,253</u>	41,452
Contributions subsequent to the measurement date to be recognized as a reduction of the net pension liability in the subsequent year			<u>(186,049)</u>
Total			<u>\$ (144,597)</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2022	\$ 17,305
2023	(42,889)
2024	(58,936)
2025	<u>(60,077)</u>
Total	<u>\$ (144,597)</u>

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00%
Inflation	2.50%
Salary increases	3.50-10.00%, including inflation
Cost of living adjustments	Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6.00%. The minimum annual COLA is 2.50%, the maximum is 6.00%.
Mortality rates	Mortality rates were based on RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)**Long-term expected rate of return**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Domestic equity	20.00%	5.30%
Developed market international	11.00%	5.10%
Emerging market international	9.00%	7.40%
Core fixed income	16.00%	1.60%
Inflation linked bond	5.00%	1.30%
Emerging market debt	5.00%	2.90%
High yield bond	6.00%	3.40%
Real estate	10.00%	4.70%
Private equity	10.00%	7.30%
Alternative investments	7.00%	3.20%
Liquidity fund	1.00%	0.90%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 7.00%. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

7. Sensitivity of the net pension liability to changes in the discount rate

The following presents the Town's proportional share of the net pension liability of MERS, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town's proportionate share of the net pension liability	<u>7.00%</u>	<u>\$1,065,199</u>	<u>\$ 608,190</u>	<u>\$ 222,522</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut municipal employees' retirement system (continued)

8. Plan fiduciary net position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

C. Connecticut state teachers' retirement system

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("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/trb.

2. Benefit provisions

Normal retirement	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
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. 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% of annual average salary.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)

Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service
Vesting - Amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. 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 State Teachers' Retirement Board 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 amount to finance any unfunded accrued liability.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>73,399,301</u>
Total	<u>\$ 73,399,301</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$6,146,011 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% 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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. 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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)**Long-term expected rate of return**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.00%</u>	

6. 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 State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

7. Sensitivity of the net pension liability to changes in the discount rate

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate and health care cost trend rate would only impact the amount recorded by the State of Connecticut.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Connecticut state teachers' retirement system (continued)**8. Plan fiduciary net position**

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

D. Total pension plans

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Town	\$ 2,935,080	\$ 1,684,004	\$ -	\$ 889,667
Education	2,332,057	1,408,248	136,657	856,086
MERS	<u>608,190</u>	<u>519,705</u>	<u>478,253</u>	<u>120,649</u>
Total	<u>\$ 5,875,327</u>	<u>\$ 3,611,957</u>	<u>\$ 614,910</u>	<u>\$ 1,866,402</u>

E. Other post-employment benefit plan ("OPEB")**1. Plan description****a. Plan administration**

The Town is the administrator of a single-employer defined benefit plan established and administered by the Town to provide post-employment benefits, other than pensions, for certain employees and retirees. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial statement as an OPEB trust fund. A separate stand-alone financial report is not issued. Benefits may be changed by the Board of Finance through union agreements or other action of the Board.

The Board of Finance serves as the OPEB board and has delegated certain administrative activities and oversight to the first selectman pursuant to a declaration of trust.

b. Plan membership

As of July 1, 2021, membership consisted of the following:

Active members	256
Retirees and beneficiaries receiving benefits	<u>16</u>
Total	<u>272</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefits (“OPEB”) (continued)

2. Benefit provisions

Group	Benefit
Teachers and Administrators	Age 60 with 20 years of service or 35 years of service
Custodian (Education)	Age 60 with 10 years of service or at age 62 with 5 years of service
Police	25 years of service under the MERS pension plan

State Statutes require that retired teachers be covered under the Town’s plan until the teacher is eligible to obtain benefits under the State plan. The employees and TRS pay 100% of the benefit.

3. Contributions

Contribution requirement and employer contributions to the plan were as follows:

Employees	None
Retirees:	
Teachers and administrators	100.00%
Custodians and paraprofessionals	100.00%
Police	75% of the premium shall be paid by the Town from the employee's premium account (50% if the premium account is exhausted)
Employer contributions	\$ 349,839
Percentage of covered payroll	1.58%

4. Investments

a. Investment policy

The OPEB plans' policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the Town's adopted asset allocation policy for the OPEB plan:

Asset Class	Target Allocation
U.S. equity market	30.00%
Non-U.S. equity	25.00%
U.S. core fixed income	40.00%
U.S. REITs	5.00%
Total	<u>100.00%</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefits (“OPEB”) (continued)**b. Concentrations**

There were no investments in any one organization that represents 5.00% or more of the OPEB plan’s net position.

c. Rate of return

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

Asset Class	Index	Long-term Expected Real Rate of Return
U.S. core fixed income	Barclays Aggregate	1.37%
U.S. equity market	Russell 3000	5.33%
Non-U.S. equity	MSCI ACWI x US NR	6.74%
U.S. REITs	FTSE NAREIT Equity REIT	5.75%
Assumed inflation - mean		2.70%
Assumed inflation - standard deviation		1.16%
Long-term expected rate of return		6.25%

d. Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of investment expense, was (13.42%).

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net OPEB liability

The components of the net OPEB liability of the Town were as follows:

Total OPEB liability	\$ 4,299,955
Plan fiduciary net position	<u>3,731,709</u>
Net OPEB liability	<u>\$ 568,246</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>86.78%</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefits (“OPEB”) (continued)

6. Actuarial methods and significant assumptions

The net OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.25%
Salary increases	Graded by service for teachers; 4.00% for all others
Inflation	2.70%
Healthcare trend rate	5.20% - 4.20% over 52 years
Mortality	
Teachers and administrators	PubT-2010 Mortality with generational projection of future improvements per the MP-2019 Ultimate scale
Education non-certified	PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale
Police	PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale

7. Changes from prior year

a. Changes in assumptions

Changes in assumptions are listed below:

Mortality	From	To
Teachers and administrators	RPH-2014 White Collar Mortality table projected to the year 2020 using the BB improvement scale	PubT-2010 Mortality with generational projection of future improvements per the MP-2019 Ultimate scale

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on the 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 rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the net OPEB liability.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefits (“OPEB”) (continued)**9. Changes in the net OPEB liability**

The Town’s OPEB liability was measured at June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2021	\$5,387,893	\$ 4,328,790	\$ 1,059,103
Service cost	116,263	-	116,263
Interest	333,242	-	333,242
Differences between expected and actual experience	(1,101,773)	-	(1,101,773)
Changes in assumptions	(85,831)	-	(85,831)
Contributions - employer	-	349,839	(349,839)
Net investment income (loss)	-	(579,606)	579,606
Benefit payments, including refunds of member contributions	(349,839)	(349,839)	-
Administration	-	(17,475)	17,475
Net change	(1,087,938)	(597,081)	(490,857)
Balance at June 30, 2022	\$4,299,955	\$ 3,731,709	\$ 568,246

10. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Town, calculated using the current discount rate, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	6.25%	\$ 960,550	\$ 568,246	\$ 220,261

11. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

The following presents the net OPEB liability of the Town, calculated using the current healthcare cost trend rates, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	Discount Rate	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB liability	5.20% decreasing to 4.20%	\$ 108,618	\$ 568,246	\$ 1,103,443

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Other post-employment benefits (“OPEB”) (continued)**12. OPEB expense and deferred outflows and inflows of resources related to OPEB**

For the fiscal year, the Town recognized OPEB expense of \$(301,363). The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ 2,573,269	\$ (2,573,269)
Changes in assumptions	123,638	352,966	(229,328)
Net difference between projected and actual earnings on pension plan investments	<u>353,800</u>	<u>-</u>	<u>353,800</u>
Total	<u>\$ 477,438</u>	<u>\$ 2,926,235</u>	<u>\$ (2,448,797)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which was 8.63 years.

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	
2023	\$ (504,541)
2024	(508,668)
2025	(527,346)
2026	(198,988)
2027	(248,754)
Thereafter	<u>(460,500)</u>
Total	<u>\$ (2,448,797)</u>

F. Connecticut state teachers’ retirement board retiree health insurance plan**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers’ Retirement System are eligible to participate in the Connecticut State Teachers’ Retirement System Retiree Health Insurance Plan (“TRS-RHIP”) - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers’ Retirement Board (“TRB”). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

Normal retirement	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
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers’ retirement board retiree health insurance plan (continued)

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).

Those participants electing vision, hearing, and/or dental are required by the System’s funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

Survivor health care coverage

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town’s proportionate share of the net OPEB liability	\$ -
State’s proportionate share of the net OPEB liability associated with the Town	<u>7,996,719</u>
Total	<u>\$ 7,996,719</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$144,627 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	2.17%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2023

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was decreased from 2.21% to 2.17% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2021.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**6. Discount rate**

The discount rate used to measure the total OPEB liability was 2.17%. The Municipal Bond Index Rate of 2.16% was used in the determination in the discount rate. 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 annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate and health care cost trend rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

G. Pension and other post-employment benefit plan statements

Pension and OPEB Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2022

	Pension Trust Fund	Education Pension Trust Fund	OPEB Trust Fund	Total
<u>Assets</u>				
Investments:				
Mutual funds				
Money market	\$ 136,365	\$ 74,980	\$ 22,598	\$ 233,943
Equity	6,322,348	4,643,754	2,384,734	13,350,836
U.S. government obligations	4,000,774	5,067,368	1,324,377	10,392,519
Total assets	<u>10,459,487</u>	<u>9,786,102</u>	<u>3,731,709</u>	<u>23,977,298</u>
<u>Net Position</u>				
Restricted for:				
Pension benefits	10,459,487	9,786,102	-	20,245,589
OPEB benefits	-	-	3,731,709	3,731,709
Total net position	<u>\$ 10,459,487</u>	<u>\$ 9,786,102</u>	<u>\$ 3,731,709</u>	<u>\$ 23,977,298</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Pension and other post-employment benefit plan statements (continued)

Pension and OPEB Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension Trust Fund	Education Pension Trust Fund	OPEB Trust Fund	Total
Additions:				
Employer contributions	\$ 442,409	\$ 480,963	\$ 349,839	\$ 1,273,211
Investment income (loss):				
Net change in fair value of investments	(2,057,081)	(1,766,266)	(669,126)	(4,492,473)
Interest and dividends	235,727	228,353	106,155	570,235
Total investment income (loss)	(1,821,354)	(1,537,913)	(562,971)	(3,922,238)
Less investment expense	36,282	35,431	16,635	88,348
Net investment income (loss)	(1,857,636)	(1,573,344)	(579,606)	(4,010,586)
Total additions	(1,415,227)	(1,092,381)	(229,767)	(2,737,375)
Deductions:				
Benefits	422,162	298,990	349,839	1,070,991
Administration	27,759	34,764	17,475	79,998
Total deductions	449,921	333,754	367,314	1,150,989
Change in net position	(1,865,148)	(1,426,135)	(597,081)	(3,888,364)
Net position - July 1, 2021	12,324,635	11,212,237	4,328,790	27,865,662
Net position - June 30, 2022	<u>\$10,459,487</u>	<u>\$ 9,786,102</u>	<u>\$ 3,731,709</u>	<u>\$ 23,977,298</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

VI. Prior period adjustments and fund reclassifications**Prior period adjustment**

As a result of the implementation of GASB No. 87 lease receivable and deferred inflows of resources and a right-to-use leased assets and lease liability were recorded. There was no impact on beginning net position or fund balance. The amounts recorded are as follows:

	<u>Governmental Activities</u>	<u>Capital Nonrecurring Fund</u>
Lease receivable	\$ 5,049,820	\$ 5,049,820
Deferred inflows of resources - lease related	(5,049,820)	(5,049,820)
Capital assets:		
Right-to-use leased assets	170,697	-
Long-term liabilities:		
Lease liability	(170,697)	-

Fund reclassifications

The Communications Tower Fund was reclassified from a special revenue fund to the Capital Nonrecurring Fund. This resulted in the beginning fund balance for the Capital Nonrecurring Fund increasing from \$1,693,238 to \$1,736,367 and the other governmental fund beginning fund balance decreasing from \$6,582,933 to \$6,539,894.

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<hr/>	
<u>Pension Plans</u> Town Plan Education Plan Connecticut Municipal Employees' Retirement System Connecticut State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<hr/>	
<u>Other Post-Employment Benefits Plans</u> Town Connecticut State Teacher's Retirement Board Retiree Health Insurance Plan	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2022

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Revenues:					
Property taxes:					
Property taxes	\$ 51,282,280	\$ -	\$ 51,282,280	\$ 51,396,057	\$ 113,777
Supplemental motor vehicle taxes	470,000	-	470,000	623,631	153,631
Telephone line access	20,000	-	20,000	18,190	(1,810)
Interest and lien fees	155,000	-	155,000	317,059	162,059
Total property taxes	51,927,280	-	51,927,280	52,354,937	427,657
Intergovernmental:					
Town aid	275,198	-	275,198	275,459	261
PILOT - State owned property	18,997	-	18,997	14,016	(4,981)
Veterans exemption	17,000	-	17,000	16,123	(877)
Local capital improvement program	78,666	-	78,666	78,686	20
Emergency management performance grant	7,002	-	7,002	13,729	6,727
Municipal revenue sharing	1,149	-	1,149	1,149	-
Elderly grant	-	-	-	1,555	1,555
FEMA	-	-	-	26,042	26,042
Municipal stabilization grant	265,666	-	265,666	265,666	-
Municipal CRF program	-	-	-	4,981	4,981
Education cost sharing	3,292,608	-	3,292,608	3,424,531	131,923
Special education	351,000	-	351,000	351,000	-
DEEP	-	-	-	2,960	2,960
Total intergovernmental	4,307,286	-	4,307,286	4,475,897	168,611
Charges for services:					
Judicial	2,000	-	2,000	4,010	2,010
Health	35,000	-	35,000	43,809	8,809
Zoning board of appeals	13,000	-	13,000	9,632	(3,368)
Zoning	40,000	-	40,000	33,117	(6,883)
Building	266,000	-	266,000	290,578	24,578
Inland wetlands	8,000	-	8,000	9,233	1,233
Planning	-	-	-	100	100
Environmental enforcement	7,500	-	7,500	10,204	2,704
Public work fees	2,500	-	2,500	5,200	2,700
Fire Marshal fees	4,335	-	4,335	4,810	475
Other licenses and permits	13,000	-	13,000	10,580	(2,420)
Real estate conveyance	350,000	-	350,000	410,781	60,781
Town clerk receipts	100,000	-	100,000	137,396	37,396
Police private duty	20,000	7,000	27,000	32,290	5,290
EMS/ Paramedic billings	300,000	-	300,000	259,654	(40,346)
Student tuition	400,000	-	400,000	433,361	33,361
Senior center recreation fees	14,000	-	14,000	20,801	6,801
Town engineer	5,000	-	5,000	7,325	2,325
CIRMA equity distribution	-	-	-	39,147	39,147
Total charges for services	1,580,335	7,000	1,587,335	1,762,028	174,693

(Continued)

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2022

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Income from investments	\$ 350,000	\$ -	\$ 350,000	\$ 54,966	\$ (295,034)
Other revenues	7,000	-	7,000	21,008	14,008
Total revenues	<u>58,171,901</u>	<u>7,000</u>	<u>58,178,901</u>	<u>58,668,836</u>	<u>489,935</u>
Other financing sources:					
Appropriation of fund balance	-	840,914	840,914	-	(840,914)
Cancellation of prior year encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,882</u>	<u>328,882</u>
Total other financing sources	<u>-</u>	<u>840,914</u>	<u>840,914</u>	<u>328,882</u>	<u>(512,032)</u>
Total revenues and other financing sources	<u>\$ 58,171,901</u>	<u>\$ 847,914</u>	<u>\$ 59,019,815</u>	<u>\$ 58,997,718</u>	<u>\$ (22,097)</u>

(Concluded)

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2022

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
General government:					
Board of selectmen	\$ 200,227	\$ -	\$ 200,227	\$ 190,787	\$ 9,440
Town clerk	183,766	851	184,617	184,075	542
Probate	9,721	-	9,721	9,642	79
Registrar of voters	60,801	-	60,801	48,726	12,075
Finance	301,593	4,396	305,989	305,620	369
Board of finance	79,137	722	79,859	64,858	15,001
Treasurer	8,170	1	8,171	8,170	1
Assessor	179,284	-	179,284	172,025	7,259
Tax collector	199,463	9,320	208,783	208,167	616
Board of assessment appeals	1,423	-	1,423	205	1,218
Unclassified payroll and benefits	1,281,632	(25,368)	1,256,264	1,219,443	36,821
Professional services	132,500	-	132,500	112,010	20,490
Intergovernmental agencies	278,297	-	278,297	275,307	2,990
General insurance	180,000	-	180,000	179,546	454
Business machines	354,532	(13,900)	340,632	330,879	9,753
Human resources	32,000	-	32,000	31,795	205
Planning commission	6,087	-	6,087	992	5,095
Zoning commission	83,103	-	83,103	68,275	14,828
Zoning board of appeals	11,885	-	11,885	11,674	211
Economic development	6,557	-	6,557	6,108	449
Utilities	334,269	10,000	344,269	326,948	17,321
Permanent building committee	3,948	-	3,948	1,778	2,170
General land use	16,297	(12,500)	3,797	975	2,822
Historical properties commission	250	-	250	-	250
Commission of the youth	1,000	-	1,000	-	1,000
Total general government	3,945,942	(26,478)	3,919,464	3,758,005	161,459
Public safety and protection:					
Police	2,558,392	7,000	2,565,392	2,445,136	120,256
Communications center	325,307	23,782	349,089	345,928	3,161
Fire companies	206,750	-	206,750	190,276	16,474
Ambulance/Paramedic/EMT	753,933	-	753,933	753,258	675
Fire marshal	78,270	-	78,270	75,010	3,260
Building inspector	152,740	-	152,740	147,910	4,830
Office of emergency management	57,685	258	57,943	57,925	18
Animal control	55,268	-	55,268	52,335	2,933
Total public safety and protection	4,188,345	31,040	4,219,385	4,067,778	151,607
Public works	2,211,700	125,000	2,336,700	2,299,926	36,774

(Continued)

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2022

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Health and welfare:					
Health department	\$ 285,161	\$ 1,165	\$ 286,326	\$ 285,967	\$ 359
Inland/wetlands	5,848	-	5,848	4,681	1,167
WPCA	1,515	-	1,515	368	1,147
Social services	95,021	-	95,021	90,148	4,873
Senior services	184,466	-	184,466	177,437	7,029
Ball pond advisory committee	7,673	-	7,673	5,586	2,087
Commission on aging	4,375	-	4,375	738	3,637
Total health and welfare	584,059	1,165	585,224	564,925	20,299
Culture and recreation:					
Recreation	73,721	1,273	74,994	74,994	-
Library	519,267	-	519,267	478,250	41,017
Total culture and recreation	592,988	1,273	594,261	553,244	41,017
Health insurance	6,050,000	-	6,050,000	6,050,000	-
Total Town expenditures	17,573,034	132,000	17,705,034	17,293,878	411,156
Education	36,293,369	-	36,293,369	36,241,880	51,489
Debt service:					
Town	141,380	-	141,380	141,380	-
School	3,700,516	-	3,700,516	3,700,516	-
Total debt service	3,841,896	-	3,841,896	3,841,896	-
Total expenditures	57,708,299	132,000	57,840,299	57,377,654	462,645
Other financing uses:					
Transfers out :					
Education Capital Nonrecurring Fund	-	118,646	118,646	118,646	-
Capital Nonrecurring Fund	463,602	597,268	1,060,870	1,060,870	-
Total other financing uses	463,602	715,914	1,179,516	1,179,516	-
Total expenditures and other financing uses	\$ 58,171,901	\$ 847,914	\$ 59,019,815	\$ 58,557,170	\$ 462,645

(Concluded)

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

Budgets and Budgetary Accounting
For the Year Ended June 30, 2022

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

1. The Town does not budget for as revenue or expenditures payments made for the State Teachers' pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are reported as expenditures for the budgetary basis of accounting.

Reconciliation to Exhibit D

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary basis - RSI-1	\$ 58,668,836	\$ 57,377,654
State teachers' pension on behalf amount	6,146,011	6,146,011
State teachers' OPEB on behalf amount	144,627	144,627
Prior year encumbrances liquidated in the current year	-	523,727
Current year encumbrances charged to budgetary expenditures	<u>-</u>	<u>(239,589)</u>
GAAP basis - Exhibit D	<u>\$ 64,959,474</u>	<u>\$ 63,952,430</u>

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 (RSI-1) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds and those specifically re-appropriated by the Board of Finance.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a one-time additional appropriation up to \$20,000 to any appropriations. A Town Meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation.

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 and Board of Finance approval and, if over \$20,000, Town Meeting approval.

There were additional appropriations made during the year as follows:

Additional revenue	\$ 7,000
Fund balance	<u>840,914</u>
Total	<u>\$ 847,914</u>

Town of New Fairfield, Connecticut
Required Supplementary Information

Town Retirement Plan
Last Nine Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>									
Total pension liability:									
Service cost	\$ 269,909	\$ 248,277	\$ 246,882	\$ 232,331	\$ 240,578	\$ 240,804	\$ 231,435	\$ 189,330	\$ 222,223
Interest	842,051	767,816	683,805	642,043	608,734	569,692	529,748	494,432	458,703
Differences between expected and actual experience	292,216	43,962	215,449	(62,415)	(159,690)	(54,626)	(9,127)	23,999	6,101
Changes in assumptions	-	380,501	358,813	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(422,162)	(304,573)	(220,278)	(195,781)	(180,253)	(174,327)	(186,010)	(168,423)	(159,368)
Net change in total pension liability	982,014	1,135,983	1,284,671	616,178	509,369	581,543	566,046	539,338	527,659
Total pension liability - July 1	12,412,553	11,276,570	9,991,899	9,375,721	8,866,352	8,284,809	7,718,763	7,179,425	6,651,766
Total pension liability - June 30 (a)	<u>\$13,394,567</u>	<u>\$12,412,553</u>	<u>\$11,276,570</u>	<u>\$9,991,899</u>	<u>\$9,375,721</u>	<u>\$8,866,352</u>	<u>\$8,284,809</u>	<u>\$7,718,763</u>	<u>\$7,179,425</u>
Plan fiduciary net position:									
Contributions - employer	\$ 442,409	\$ 390,232	\$ 317,010	\$ 328,950	\$ 341,716	\$ 331,000	\$ 302,287	\$ 301,000	\$ 137,000
Net investment income (loss)	(1,857,636)	2,512,405	361,390	477,547	554,733	839,279	(49,451)	134,042	912,653
Benefit payments, including refunds of member contributions	(422,162)	(304,573)	(220,278)	(195,781)	(180,253)	(174,327)	(186,010)	(168,423)	(159,368)
Administration	(27,759)	(21,372)	(29,872)	(27,411)	(26,472)	(25,295)	(26,319)	(23,335)	(28,855)
Net change in plan fiduciary net position	(1,865,148)	2,576,692	428,250	583,305	689,724	970,657	40,507	243,284	861,430
Plan fiduciary net position - July 1	12,324,635	9,747,943	9,319,693	8,736,388	8,046,664	7,076,007	7,035,500	6,792,216	5,930,786
Plan fiduciary net position - June 30 (b)	<u>\$10,459,487</u>	<u>\$12,324,635</u>	<u>\$9,747,943</u>	<u>\$9,319,693</u>	<u>\$8,736,388</u>	<u>\$8,046,664</u>	<u>\$7,076,007</u>	<u>\$7,035,500</u>	<u>\$6,792,216</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 2,935,080</u>	<u>\$ 87,918</u>	<u>\$ 1,528,627</u>	<u>\$ 672,206</u>	<u>\$ 639,333</u>	<u>\$ 819,688</u>	<u>\$ 1,208,802</u>	<u>\$ 683,263</u>	<u>\$ 387,209</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>78.09%</u>	<u>99.29%</u>	<u>86.44%</u>	<u>93.27%</u>	<u>93.18%</u>	<u>90.76%</u>	<u>85.41%</u>	<u>91.15%</u>	<u>94.61%</u>
Covered payroll	<u>\$ 3,021,770</u>	<u>\$ 2,805,853</u>	<u>\$ 2,556,512</u>	<u>\$ 2,618,836</u>	<u>\$ 2,637,481</u>	<u>\$ 2,583,479</u>	<u>\$ 2,272,414</u>	<u>\$ 2,565,373</u>	<u>\$ 2,445,222</u>
Net pension liability as a percentage of covered payroll	<u>97.13%</u>	<u>3.13%</u>	<u>59.79%</u>	<u>25.67%</u>	<u>24.24%</u>	<u>31.73%</u>	<u>53.19%</u>	<u>26.63%</u>	<u>15.84%</u>
<u>Schedule of Investment Returns</u>									
Annual money weighted rate of return, net of investment expense	<u>(14.83%)</u>	<u>25.18%</u>	<u>3.80%</u>	<u>5.37%</u>	<u>6.73%</u>	<u>11.64%</u>	<u>(0.69%)</u>	<u>1.98%</u>	<u>15.59%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut

Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 442,409	\$ 390,232	\$ 317,010	\$ 328,950	\$ 341,716	\$ 330,339	\$ 302,287	\$ 301,363	\$ 279,785	\$ 262,094
Contributions in relation to the actuarially determined contribution	<u>442,409</u>	<u>390,232</u>	<u>317,010</u>	<u>328,950</u>	<u>341,716</u>	<u>331,000</u>	<u>302,287</u>	<u>301,000</u>	<u>137,000</u>	<u>-</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661</u>	<u>\$ -</u>	<u>\$ (363)</u>	<u>\$ (142,785)</u>	<u>\$ (262,094)</u>
Covered payroll	<u>\$ 3,021,770</u>	<u>\$ 2,805,853</u>	<u>\$ 2,566,512</u>	<u>\$ 2,618,836</u>	<u>\$ 2,637,481</u>	<u>\$ 2,583,479</u>	<u>\$ 2,272,414</u>	<u>\$ 2,565,373</u>	<u>\$ 2,445,222</u>	<u>\$ 2,445,222</u>
Contributions as a percentage of covered payroll	<u>14.64%</u>	<u>13.91%</u>	<u>12.35%</u>	<u>12.56%</u>	<u>12.96%</u>	<u>12.81%</u>	<u>13.30%</u>	<u>11.73%</u>	<u>5.60%</u>	<u>0.00%</u>

Town of New Fairfield, Connecticut
Notes to Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2014	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset Valuation Method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age
Investment Rate of Return (Net)	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Mortality	PubG-2010 General Mortality Tables with generational projection per MP-2019 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut
 Required Supplementary Information

Education Retirement Plan
 Last Nine Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Schedule of Changes in Net Pension Liability and Related Ratios									
Total pension liability:									
Service cost	\$ 330,431	\$ 305,874	\$ 282,374	\$ 248,907	\$ 266,475	\$ 260,859	\$ 253,449	\$ 254,108	\$ 248,397
Interest	729,820	663,921	575,690	549,885	502,912	456,879	428,185	393,187	357,339
Differences between expected and actual experience	(137,019)	(103,432)	384,125	(167,262)	211,570	180,147	(106,835)	142,004	(130,516)
Changes of benefit terms	-	61,035	54,519	-	-	-	-	-	-
Changes in assumptions	-	391,222	367,354	-	-	-	-	15,637	-
Benefit payments, including refunds of member contributions	<u>(298,990)</u>	<u>(278,906)</u>	<u>(272,927)</u>	<u>(231,904)</u>	<u>(192,331)</u>	<u>(142,399)</u>	<u>(102,250)</u>	<u>(73,678)</u>	<u>(56,583)</u>
Net change in total pension liability	624,242	1,039,714	1,391,135	399,626	788,626	755,486	472,549	731,258	418,637
Total pension liability - July 1	<u>11,493,917</u>	<u>10,454,203</u>	<u>9,063,068</u>	<u>8,663,442</u>	<u>7,874,816</u>	<u>7,119,330</u>	<u>6,646,781</u>	<u>5,915,523</u>	<u>5,496,886</u>
Total pension liability - June 30 (a)	<u>\$ 12,118,159</u>	<u>\$ 11,493,917</u>	<u>\$ 10,454,203</u>	<u>\$ 9,063,068</u>	<u>\$ 8,663,442</u>	<u>\$ 7,874,816</u>	<u>\$ 7,119,330</u>	<u>\$ 6,646,781</u>	<u>\$ 5,915,523</u>
Plan fiduciary net position:									
Contributions - employer	\$ 480,963	\$ 407,582	\$ 312,538	\$ 328,751	\$ 311,460	\$ 282,644	\$ 294,000	\$ 320,000	\$ 320,280
Net investment income (loss)	(1,573,344)	1,848,101	429,289	484,373	407,759	628,852	42,982	116,004	731,838
Benefit payments, including refunds of member contributions	(298,990)	(278,906)	(272,927)	(231,904)	(192,331)	(142,399)	(102,250)	(73,678)	(56,583)
Administration	<u>(34,764)</u>	<u>(22,243)</u>	<u>(31,386)</u>	<u>(30,354)</u>	<u>(30,011)</u>	<u>(28,456)</u>	<u>(29,541)</u>	<u>(23,274)</u>	<u>(30,885)</u>
Net change in plan fiduciary net position	(1,426,135)	1,954,534	437,514	550,866	496,877	740,641	205,191	339,052	964,650
Plan fiduciary net position - July 1	<u>11,212,237</u>	<u>9,257,703</u>	<u>8,820,189</u>	<u>8,269,323</u>	<u>7,772,446</u>	<u>7,031,805</u>	<u>6,826,614</u>	<u>6,487,562</u>	<u>5,522,912</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 9,786,102</u>	<u>\$ 11,212,237</u>	<u>\$ 9,257,703</u>	<u>\$ 8,820,189</u>	<u>\$ 8,269,323</u>	<u>\$ 7,772,446</u>	<u>\$ 7,031,805</u>	<u>\$ 6,826,614</u>	<u>\$ 6,487,562</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 2,332,057</u>	<u>\$ 281,680</u>	<u>\$ 1,196,500</u>	<u>\$ 242,879</u>	<u>\$ 394,119</u>	<u>\$ 102,370</u>	<u>\$ 87,525</u>	<u>\$ (179,833)</u>	<u>\$ (572,039)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>80.76%</u>	<u>97.55%</u>	<u>88.55%</u>	<u>97.32%</u>	<u>95.45%</u>	<u>98.70%</u>	<u>98.77%</u>	<u>102.71%</u>	<u>109.67%</u>
Covered payroll	<u>\$ 4,046,343</u>	<u>\$ 4,057,509</u>	<u>\$ 3,788,160</u>	<u>\$ 3,880,750</u>	<u>\$ 3,847,329</u>	<u>\$ 3,713,678</u>	<u>\$ 3,402,645</u>	<u>\$ 3,501,799</u>	<u>\$ 3,548,459</u>
Net pension liability (asset) as a percentage of covered payroll	<u>57.63%</u>	<u>6.94%</u>	<u>31.59%</u>	<u>6.26%</u>	<u>10.24%</u>	<u>2.76%</u>	<u>2.57%</u>	<u>(5.14%)</u>	<u>(16.12%)</u>
Schedule of Investment Returns									
Annual money weighted rate of return, net of investment expense	<u>(13.67%)</u>	<u>19.44%</u>	<u>4.79%</u>	<u>5.77%</u>	<u>5.14%</u>	<u>8.80%</u>	<u>0.62%</u>	<u>1.77%</u>	<u>12.95%</u>

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut
Required Supplementary Information

Education Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 478,613	\$ 407,582	\$ 312,538	\$ 328,751	\$ 311,460	\$ 282,644	\$ 293,885	\$ 289,476	\$ 317,946	\$ 299,243
Contributions in relation to the actuarially determined contribution	<u>480,963</u>	<u>407,582</u>	<u>312,538</u>	<u>328,751</u>	<u>311,460</u>	<u>282,644</u>	<u>294,000</u>	<u>320,000</u>	<u>320,280</u>	<u>400,267</u>
Contribution excess (deficiency)	<u>\$ 2,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115</u>	<u>\$ 30,524</u>	<u>\$ 2,334</u>	<u>\$ 101,024</u>
Covered payroll	<u>\$ 4,046,343</u>	<u>\$ 4,057,509</u>	<u>\$ 3,788,160</u>	<u>\$ 3,880,750</u>	<u>\$ 3,847,329</u>	<u>\$ 3,713,678</u>	<u>\$ 3,402,645</u>	<u>\$ 3,501,799</u>	<u>\$ 3,548,459</u>	<u>\$ 3,548,459</u>
Contributions as a percentage of covered payroll	<u>11.89%</u>	<u>10.05%</u>	<u>8.25%</u>	<u>8.47%</u>	<u>8.10%</u>	<u>7.61%</u>	<u>8.64%</u>	<u>9.14%</u>	<u>9.03%</u>	<u>11.28%</u>

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

Education Retirement Plan
Schedule of Contributions
Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	The normal retirement benefit formula for the Building and Grounds Director increased to 3.00%.	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2014	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset Valuation Method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age	Varies by age
Investment Rate of Return (Net)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Mortality	PubG-2010 General Mortality Tables with generational projection per MP-2019 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	PubG-2010 General Mortality Tables with generational projection per MP-2014 ultimate scale	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA	RP-2000 Mortality with generational projection per Scale AA

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(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System
Last Eight Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>								
Town's proportion of the net pension liability for the police and fire with social security sub plan	<u>1.206742%</u>	<u>0.980499%</u>	<u>1.410684%</u>	<u>1.036541%</u>	<u>1.243463%</u>	<u>1.243463%</u>	<u>1.907770%</u>	<u>1.190777%</u>
Town's proportionate share of the net pension (asset) liability	<u>\$ 608,190</u>	<u>\$ 809,140</u>	<u>\$ 1,027,877</u>	<u>\$ 704,217</u>	<u>\$ 497,180</u>	<u>\$ 581,330</u>	<u>\$ 364,345</u>	<u>\$ 287,914</u>
Town's covered payroll	<u>\$ 563,911</u>	<u>\$ 436,190</u>	<u>\$ 626,548</u>	<u>\$ 587,139</u>	<u>\$ 575,825</u>	<u>\$ 575,825</u>	<u>\$ 535,550</u>	<u>\$ 447,053</u>
Town's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	<u>107.85%</u>	<u>185.50%</u>	<u>164.05%</u>	<u>119.94%</u>	<u>86.34%</u>	<u>100.96%</u>	<u>68.03%</u>	<u>64.40%</u>
Total plan fiduciary net position as a percentage of the total pension liability	<u>82.59%</u>	<u>71.18%</u>	<u>72.69%</u>	<u>73.60%</u>	<u>91.68%</u>	<u>92.72%</u>	<u>92.72%</u>	<u>92.72%</u>
<u>Schedule of Contributions</u>								
Contractually required contribution	<u>\$ 148,687</u>	<u>\$ 87,017</u>	<u>\$ 120,684</u>	<u>\$ 122,028</u>	<u>\$ 115,305</u>	<u>\$ 96,336</u>	<u>\$ 89,597</u>	<u>\$ 76,426</u>
Contributions in relation to the contractually required contribution	<u>148,687</u>	<u>87,017</u>	<u>\$ 120,684</u>	<u>122,028</u>	<u>115,305</u>	<u>96,336</u>	<u>89,597</u>	<u>76,426</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 662,303</u>	<u>\$ 415,356</u>	<u>\$ 604,932</u>	<u>\$ 712,364</u>	<u>\$ 673,117</u>	<u>\$ 575,828</u>	<u>\$ 535,547</u>	<u>\$ 450,625</u>
Contributions as a percentage of covered payroll	<u>22.45%</u>	<u>20.95%</u>	<u>19.95%</u>	<u>17.13%</u>	<u>17.13%</u>	<u>16.73%</u>	<u>16.73%</u>	<u>16.96%</u>

(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of New Fairfield, Connecticut
Notes to Required Supplementary Information
Connecticut Municipal Employees' Retirement System
Schedule of Contributions
Last Eight Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Remaining Amortization Period	18 years	19 years	20 years	21 years	23 years	23 years	25 years	25 years
Asset Valuation Method	5 year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation	2.50%	2.50%	2.50%	2.50%	3.25%	3.25%	3.25%	3.25%
Salary Increases	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	3.50%-10.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation	4.25%-11.00%, average, including inflation
Cost-of-Living Adjustments	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards	After January 1, 2002, 2.5% minimum Prior to January 1, 2002, 2.5% up to age 65. 3.25% afterwards
Social Security Wage Base	3.00%	3.00%	3.00%	3.00%	3.50%	3.50%	3.50%	3.50%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%
Mortality	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	General Employees: RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB Police and Fire: RP-2014 Blue Collar Mortality Table adjusted to 2006 projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries

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(1) This schedule is intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of New Fairfield, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Eight Years (3)

	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Net Pension Liability</u>								
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	73,399,301	92,674,894	82,278,348	63,441,386	65,802,792	69,422,450	52,643,952	48,658,784
Total	\$ 73,399,301	\$ 92,674,894	\$ 82,278,348	\$ 63,441,386	\$ 65,802,792	\$ 69,422,450	\$ 52,643,952	\$ 48,658,784
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the 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%
Plan fiduciary net position as a percentage of the total pension liability	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%
<u>Schedule of Contributions</u>								
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut
Notes to Required Supplementary Information
Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Eight Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut
Required Supplementary Information
Other Post-Employment Benefit (OPEB) Plan
Last Six Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>						
Total OPEB liability:						
Service cost	\$ 116,263	\$ 124,022	\$ 133,859	\$ 128,672	\$ 120,401	\$ 156,832
Interest	333,242	326,407	406,924	393,398	567,511	541,926
Differences between expected and actual experience	(1,101,773)	-	(795,491)	-	(2,752,549)	-
Changes in assumptions	(85,831)	-	(448,327)	-	310,963	-
Benefit payments, including refunds of member contributions	<u>(349,839)</u>	<u>(317,273)</u>	<u>(332,244)</u>	<u>(306,490)</u>	<u>(312,296)</u>	<u>(281,859)</u>
Net change in total OPEB liability	(1,087,938)	133,156	(1,035,279)	215,580	(2,065,970)	416,899
Total OPEB liability - July 1	<u>5,387,893</u>	<u>5,254,737</u>	<u>6,290,016</u>	<u>6,074,436</u>	<u>8,140,406</u>	<u>7,723,507</u>
Total OPEB liability - June 30 (a)	<u>\$ 4,299,955</u>	<u>\$ 5,387,893</u>	<u>\$ 5,254,737</u>	<u>\$ 6,290,016</u>	<u>\$ 6,074,436</u>	<u>\$ 8,140,406</u>
Plan fiduciary net position:						
Contributions - employer	\$ 349,839	\$ 317,273	\$ 364,224	\$ 339,921	\$ 569,331	\$ 569,816
Net investment income (loss)	(579,606)	830,956	125,739	189,859	170,077	243,849
Benefit payments, including refunds of member contributions	(349,839)	(317,273)	(332,244)	(306,490)	(312,296)	(281,859)
Administration	<u>(17,475)</u>	<u>(5,050)</u>	<u>(22,608)</u>	<u>(19,997)</u>	<u>(4,000)</u>	<u>(15,607)</u>
Net change in plan fiduciary net position	(597,081)	825,906	135,111	203,293	423,112	516,199
Plan fiduciary net position - July 1	<u>4,328,790</u>	<u>3,502,884</u>	<u>3,367,773</u>	<u>3,164,480</u>	<u>2,741,368</u>	<u>2,225,169</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 3,731,709</u>	<u>\$ 4,328,790</u>	<u>\$ 3,502,884</u>	<u>\$ 3,367,773</u>	<u>\$ 3,164,480</u>	<u>\$ 2,741,368</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 568,246</u>	<u>\$ 1,059,103</u>	<u>\$ 1,751,853</u>	<u>\$ 2,922,243</u>	<u>\$ 2,909,956</u>	<u>\$ 5,399,038</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>86.78%</u>	<u>80.34%</u>	<u>66.66%</u>	<u>53.54%</u>	<u>52.10%</u>	<u>33.68%</u>
Covered payroll	<u>\$ 22,093,911</u>	<u>\$ 22,093,911</u>	<u>\$ 16,454,309</u>	<u>\$ 16,454,309</u>	<u>\$ 16,830,444</u>	<u>\$ 16,830,444</u>
Net OPEB liability as a percentage of covered payroll	<u>2.57%</u>	<u>4.79%</u>	<u>10.65%</u>	<u>17.76%</u>	<u>17.29%</u>	<u>32.08%</u>
<u>Schedule of Investment Returns</u>						
Annual money weighted rate of return, net of investment expense	<u>(13.42%)</u>	<u>23.73%</u>	<u>3.71%</u>	<u>5.84%</u>	<u>5.72%</u>	<u>10.03%</u>

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 300,623	\$ 266,503	\$ 338,986	\$ 339,921	\$ 540,373	\$ 508,352	\$ 571,103	\$ 546,315	\$ 614,000	\$ 585,000
Contributions in relation to the actuarially determined contribution	349,839	317,273	364,224	339,921	569,331	569,816	571,386	577,602	741,000	1,524,036
Contribution excess (deficiency)	<u>\$ 49,216</u>	<u>\$ 50,770</u>	<u>\$ 25,238</u>	<u>\$ -</u>	<u>\$ 28,958</u>	<u>\$ 61,464</u>	<u>\$ 283</u>	<u>\$ 31,287</u>	<u>\$ 127,000</u>	<u>\$ 939,036</u>
Covered payroll	<u>\$ 22,093,911</u>	<u>\$ 22,093,911</u>	<u>\$ 16,454,309</u>	<u>\$ 16,454,309</u>	<u>\$ 16,830,444</u>	<u>\$ 16,830,444</u>	<u>\$ 16,805,190</u>	<u>\$ 16,805,190</u>	<u>N/A</u>	<u>N/A</u>
Contributions as a percentage of covered payroll	<u>1.58%</u>	<u>1.44%</u>	<u>2.21%</u>	<u>2.07%</u>	<u>3.38%</u>	<u>3.39%</u>	<u>3.40%</u>	<u>3.44%</u>	<u>N/A</u>	<u>N/A</u>

N/A - Not available

Town of New Fairfield, Connecticut
Notes to Required Supplementary Information
Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017	July 1, 2015	July 1, 2013	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit
Amortization Method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
Asset Valuation Method	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing	5-year smoothing
Inflation	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	3.00%	3.00%	3.00%
Medical Trend Rate	5.20% - 4.20% over 55 years	6.20% - 4.20% over 55 years	6.20% - 4.20% over 55 years	5.20% - 4.60% over 60 years	5.20% - 4.60% over 60 years	5.20% - 4.60% over 60 years	6.70% - 4.60% over 72 years	6.70% - 4.60% over 72 years	6.70% - 4.60% over 72 years
Investment Rate of Return (Net)	6.25%	6.25%	6.25%	6.50%	6.50%	7.00%	7.00%	7.00%	7.00%
Mortality	Teachers and administrators: PubT-2010 Mortality Table for employees and healthy annuitants with generational projection of future improvements per the MP-2019 ultimate scale. Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale Police: PubG-2010 Mortality Table with generational projection per	Teachers and administrators: RPH-2014 White collar Mortality table projected to the year 2020 using the BB improvement scale Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale Police: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale	Teachers and administrators: RPH-2014 White collar Mortality table projected to the year 2020 using the BB improvement scale Education non-certified: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale Police: PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA	RP-2000 Mortality for employees, healthy annuitants, and disabled annuitant with generational projection per Scale AA

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(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Five Years (3)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>					
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	7,996,719	13,822,464	12,831,774	12,682,334	16,936,880
Total	<u>\$ 7,996,719</u>	<u>\$ 13,822,464</u>	<u>\$ 12,831,774</u>	<u>\$ 12,682,334</u>	<u>\$ 16,936,880</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net OPEB liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Five Years (1)

	2022	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair value	Fair value	Fair value	Fair value
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Supplemental 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 and welfare, culture and recreation, health insurance, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

Town of New Fairfield, Connecticut

Report of Tax Collector
For the Year Ended June 30, 2022

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Grand List Year	Uncollected Taxes July 1, 2021	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2022
			Additions	Deductions			Taxes	Interest and Liens	Total	
2005	\$ 4,119	\$ -	\$ -	\$ 4,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006	4,255	-	-	-	-	4,255	96	282	378	4,159
2007	5,308	-	-	-	-	5,308	99	273	372	5,209
2008	4,436	-	-	-	-	4,436	99	255	354	4,337
2009	3,946	-	-	-	-	3,946	84	205	289	3,862
2010	4,060	-	-	-	-	4,060	86	193	279	3,974
2011	4,525	-	-	-	-	4,525	434	776	1,210	4,091
2012	4,884	-	-	-	-	4,884	451	724	1,175	4,433
2013	5,036	-	-	-	-	5,036	459	653	1,112	4,577
2014	7,729	-	-	-	-	7,729	2,887	3,508	6,395	4,842
2015	10,033	-	-	-	-	10,033	2,902	3,004	5,906	7,131
2016	27,194	-	-	-	145	27,049	19,764	16,390	36,154	7,285
2017	47,231	-	668	42	1,868	45,989	35,666	21,646	57,312	10,323
2018	122,616	-	1,206	2,227	5,559	116,036	100,735	37,248	137,983	15,301
2019	<u>282,404</u>	<u>-</u>	<u>11,417</u>	<u>97,129</u>	<u>10,031</u>	<u>186,661</u>	<u>139,676</u>	<u>52,145</u>	<u>191,821</u>	<u>46,985</u>
Subtotal	537,776	-	13,291	103,517	17,603	429,947	303,438	137,302	440,740	126,509
2020	<u>-</u>	<u>52,135,161</u>	<u>84,260</u>	<u>257,631</u>	<u>24,812</u>	<u>51,936,978</u>	<u>51,713,005</u>	<u>130,694</u>	<u>51,843,699</u>	<u>223,973</u>
Totals	<u>\$ 537,776</u>	<u>\$ 52,135,161</u>	<u>\$ 97,551</u>	<u>\$ 361,148</u>	<u>\$ 42,415</u>	<u>\$ 52,366,925</u>	<u>\$ 52,016,443</u>	<u>\$ 267,996</u>	<u>\$ 52,284,439</u>	350,482
								Interest and liens receivable		159,199
								Allowance for doubtful accounts		(110,000)
								Taxes, interest and liens receivable (net)		<u>\$ 399,681</u>

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned to expenditures for particular purposes.

Fund	Funding Source	Function
School Lunch Fund	Sale of meals and grants	Cafeteria operations
Education Grants Fund	Federal and state grants and fees	Education programs
School Activity Fund	Activity fees and contributions	Student activity funds and school scholarships
Drug Enforcement Fund	Fees	Health and welfare programs
Small Cities Fund	Grant and program income	Community development program
Dog Registration Fund	Fees	Public safety programs
Library Fund	Grants, fees and contributions	Library programs
Social Services Fund	Contributions	Social service programs
Groovin' in New Fairfield Fund	Fees and contributions	Recreation programs
Miscellaneous Grants Fund	Grants and fees	Various town programs
Municipal Water System Fund	Fees	Water system operations
Beaver Bog Cemetery Fund	Fees	Cemetery operations
Senior Center Fund	Fees and contributions	Senior center programs
Commission for the Youth Fund	Fees	Recreation programs
Recreation Programs Fund	Fees and contributions	Recreation programs
Education User Surcharges Fund	Fees	Pay for play programs
Hidden Valley Fund	Fees	Hidden valley operations
Drop Off Center Fund	Fees	Drop off center operations

Debt Service Fund

The debt service fund is used to account for and report resources for the payment of future debt service payments funded by the operating budget.

Other Governmental Funds

Capital Projects Funds

Capital projects funds are used to account for acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Fund	Funding Source	Function
Fire Company Reserve Fund	Town budget and income from investments	Fire department capital purchases
Education Capital Nonrecurring Fund	Town budget	School capital purchases
School Capital Project Fund	Bonds and grants	School improvements
MHHS Septic Fund	Bonds and grants	MHHS septic construction
Town Center Beautification Fund	Grants	Town Center Beautification projects
MHHS/HS Renovation Fund	Bonds and grants	MHHS/HS Renovation
American Rescue Plan Act Fund	Grants	Capital purchases

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 as categorized by the fund title.

Fund	Funding Source	Function
Library Fund	Contributions	Established for the support and benefit of the Town's library

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

Special Revenue Funds

	School Lunch Fund	Education Grants Fund	School Activity Fund	Drug Enforcement Fund	Small Cities Fund	Dog Registration Fund	Library Fund	Social Services Fund
<u>Assets</u>								
Cash	\$ 393,672	\$ 44,577	\$ 526,255	\$ 2,827	\$ 203,078	\$ 52,875	\$ 20,590	\$ 58,866
Investments	-	-	83,805	-	-	-	61,405	-
Receivables (net):								
Intergovernmental	186,322	538,543	-	-	-	-	-	-
Loans	-	-	-	-	1,331,498	-	-	-
Other	-	1,929	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other	16,448	-	-	-	-	-	-	-
Total assets	\$ 596,442	\$ 585,049	\$ 610,060	\$ 2,827	\$ 1,534,576	\$ 52,875	\$ 81,995	\$ 58,866
<u>Liabilities</u>								
Accounts payable	\$ 60,125	\$ 146,291	\$ -	\$ -	\$ -	\$ 6,944	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-	-	-
Due to other funds	-	290,495	-	-	-	18,486	-	-
Unearned revenue	25,417	32,406	-	-	-	-	-	-
Total liabilities	85,542	469,192	-	-	-	25,430	-	-
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	510,900	-	2,810	2,827	1,534,576	-	-	58,866
Committed	-	115,857	607,250	-	-	27,445	81,995	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	510,900	115,857	610,060	2,827	1,534,576	27,445	81,995	58,866
Total liabilities and fund balances	\$ 596,442	\$ 585,049	\$ 610,060	\$ 2,827	\$ 1,534,576	\$ 52,875	\$ 81,995	\$ 58,866

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(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

Special Revenue Funds

	Groovin' in New Fairfield Fund	Miscellaneous Grants Fund	Municipal Water System Fund	Beaver Bog Cemetery Fund	Senior Center Fund	Commission for the Youth Fund	Recreation Programs Fund
<u>Assets</u>							
Cash	\$ -	\$ -	\$ 28,265	\$ 8,295	\$ -	\$ -	\$ 436,017
Investments	-	-	-	-	-	-	-
Receivables (net):							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	3,637	18,914	-	-	59,567	10,287	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 3,637</u>	<u>\$ 18,914</u>	<u>\$ 28,265</u>	<u>\$ 8,295</u>	<u>\$ 59,567</u>	<u>\$ 10,287</u>	<u>\$ 436,017</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,365
Accrued payroll and related liabilities	-	-	-	-	-	-	22,473
Due to other funds	-	4,948	-	-	-	-	123,702
Unearned revenue	-	167	-	-	7,854	-	113,261
Total liabilities	<u>-</u>	<u>5,115</u>	<u>-</u>	<u>-</u>	<u>7,854</u>	<u>-</u>	<u>266,801</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	28,265	8,295	-	-	-
Committed	3,637	13,799	-	-	51,713	10,287	169,216
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>3,637</u>	<u>13,799</u>	<u>28,265</u>	<u>8,295</u>	<u>51,713</u>	<u>10,287</u>	<u>169,216</u>
Total liabilities and fund balances	<u>\$ 3,637</u>	<u>\$ 18,914</u>	<u>\$ 28,265</u>	<u>\$ 8,295</u>	<u>\$ 59,567</u>	<u>\$ 10,287</u>	<u>\$ 436,017</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds		
	Education User Surcharges Fund	Hidden Valley Fund	Drop Off Center Fund	Total	Debt Service	Fire Company Reserve Fund	Education Capital Nonrecurring Fund	School Capital Project Fund
<u>Assets</u>								
Cash	\$ 376,881	\$ 17,784	\$ 110,735	\$ 2,280,717	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	145,210	-	687,158	-	-
Receivables (net):								
Intergovernmental	-	-	-	724,865	-	-	-	-
Loans	-	-	-	1,331,498	-	-	-	-
Other	8,340	-	2,073	12,342	-	-	-	-
Due from other funds	217,835	-	-	310,240	3,840,128	-	757,226	19,907
Other	-	-	-	16,448	-	-	-	-
Total assets	\$ 603,056	\$ 17,784	\$ 112,808	\$ 4,821,320	\$ 3,840,128	\$ 687,158	\$ 757,226	\$ 19,907
<u>Liabilities</u>								
Accounts payable	\$ 14,000	\$ -	\$ 25,341	\$ 260,066	\$ -	\$ -	\$ 256,230	\$ -
Accrued payroll and related liabilities	-	-	1,354	23,827	-	-	-	-
Due to other funds	-	-	149,931	587,562	-	30,911	125,000	28,657
Unearned revenue	-	-	-	179,105	-	-	-	-
Total liabilities	14,000	-	176,626	1,050,560	-	30,911	381,230	28,657
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	2,146,539	-	-	-	-
Committed	589,056	17,784	-	1,688,039	-	656,247	375,996	-
Assigned	-	-	-	-	3,840,128	-	-	-
Unassigned	-	-	(63,818)	(63,818)	-	-	-	(8,750)
Total fund balances	589,056	17,784	(63,818)	3,770,760	3,840,128	656,247	375,996	(8,750)
Total liabilities and fund balances	\$ 603,056	\$ 17,784	\$ 112,808	\$ 4,821,320	\$ 3,840,128	\$ 687,158	\$ 757,226	\$ 19,907

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Capital Projects Funds					Permanent Fund	Total Other Governmental Funds
	MHHS Septic Fund	Town Center Beautification Fund	MHHS/HS Renovation Fund	American Rescue Plan Act Fund	Total	Library Fund	
<u>Assets</u>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,715	\$ 2,293,432
Investments	-	-	-	-	687,158	-	832,368
Receivables (net):							
Intergovernmental	-	-	-	-	-	-	724,865
Loans	-	-	-	-	-	-	1,331,498
Other	-	-	-	-	-	-	12,342
Due from other funds	-	33,947	-	2,056,818	2,867,898	-	7,018,266
Other	-	-	-	-	-	-	16,448
Total assets	\$ -	\$ 33,947	\$ -	\$ 2,056,818	\$ 3,555,056	\$ 12,715	\$ 12,229,219
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 256,230	\$ -	\$ 516,296
Accrued payroll and related liabilities	-	-	-	-	-	-	23,827
Due to other funds	90,565	-	154,496	-	429,629	-	1,017,191
Unearned revenue	-	29,858	-	-	29,858	-	208,963
Total liabilities	90,565	29,858	154,496	-	715,717	-	1,766,277
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	482	482
Restricted	-	-	-	2,056,818	2,056,818	12,233	4,215,590
Committed	-	4,089	-	-	1,036,332	-	2,724,371
Assigned	-	-	-	-	-	-	3,840,128
Unassigned	(90,565)	-	(154,496)	-	(253,811)	-	(317,629)
Total fund balances	(90,565)	4,089	(154,496)	2,056,818	2,839,339	12,715	10,462,942
Total liabilities and fund balances	\$ -	\$ 33,947	\$ -	\$ 2,056,818	\$ 3,555,056	\$ 12,715	\$ 12,229,219

(Concluded)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

Special Revenue Funds

	School Lunch Fund	Education Grants Fund	School Activity Fund	Drug Enforcement Fund	Small Cities Fund	Dog Registration Fund	Library Fund	Social Services Fund
Revenues:								
Intergovernmental	\$ 1,090,392	\$ 3,238,669	\$ -	\$ -	\$ -	\$ -	\$ 661	\$ -
Charges for services	93,168	130,767	576,834	-	-	3,966	17,874	-
Contributions	-	1,466	-	-	-	-	39	14,252
Income from investments	-	-	156	-	66	-	71	-
Total revenues	<u>1,183,560</u>	<u>3,370,902</u>	<u>576,990</u>	<u>-</u>	<u>66</u>	<u>3,966</u>	<u>18,645</u>	<u>14,252</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,004	-	-
Health and welfare	-	-	-	-	11,837	-	-	14,658
Culture and recreation	-	-	-	-	-	-	19,653	-
Education	795,973	3,362,835	501,654	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>795,973</u>	<u>3,362,835</u>	<u>501,654</u>	<u>-</u>	<u>11,837</u>	<u>1,004</u>	<u>19,653</u>	<u>14,658</u>
Excess (deficiency) of revenues over expenditures	<u>387,587</u>	<u>8,067</u>	<u>75,336</u>	<u>-</u>	<u>(11,771)</u>	<u>2,962</u>	<u>(1,008)</u>	<u>(406)</u>
Other financing sources (uses):								
Premium	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	387,587	8,067	75,336	-	(11,771)	2,962	(1,008)	(406)
Fund balances - July 1, 2021 (as restated)	<u>123,313</u>	<u>107,790</u>	<u>534,724</u>	<u>2,827</u>	<u>1,546,347</u>	<u>24,483</u>	<u>83,003</u>	<u>59,272</u>
Fund balances - June 30, 2022	<u>\$ 510,900</u>	<u>\$ 115,857</u>	<u>\$ 610,060</u>	<u>\$ 2,827</u>	<u>\$ 1,534,576</u>	<u>\$ 27,445</u>	<u>\$ 81,995</u>	<u>\$ 58,866</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

Special Revenue Funds

	Groovin' in New Fairfield Fund	Miscellaneous Grants Fund	Municipal Water System Fund	Beaver Bog Cemetery Fund	Senior Center Fund	Commission for the Youth Fund	Recreation Programs Fund
Revenues:							
Intergovernmental	\$ -	\$ 6,830	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,322	10,174	-	-	-	-	435,681
Contributions	867	-	-	-	20,716	-	2,100
Income from investments	-	-	79	-	-	-	-
Total revenues	<u>2,189</u>	<u>17,004</u>	<u>79</u>	<u>-</u>	<u>20,716</u>	<u>-</u>	<u>437,781</u>
Expenditures:							
Current:							
General government	-	33,423	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	16,766	-	-
Culture and recreation	1,855	-	-	-	-	-	294,375
Education	-	828	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>1,855</u>	<u>34,251</u>	<u>-</u>	<u>-</u>	<u>16,766</u>	<u>-</u>	<u>294,375</u>
Excess (deficiency) of revenues over expenditures	<u>334</u>	<u>(17,247)</u>	<u>79</u>	<u>-</u>	<u>3,950</u>	<u>-</u>	<u>143,406</u>
Other financing sources (uses):							
Premium	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(109,909)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,909)</u>
Net change in fund balances	334	(17,247)	79	-	3,950	-	33,497
Fund balances - July 1, 2021 (as restated)	<u>3,303</u>	<u>31,046</u>	<u>28,186</u>	<u>8,295</u>	<u>47,763</u>	<u>10,287</u>	<u>135,719</u>
Fund balances - June 30, 2022	<u>\$ 3,637</u>	<u>\$ 13,799</u>	<u>\$ 28,265</u>	<u>\$ 8,295</u>	<u>\$ 51,713</u>	<u>\$ 10,287</u>	<u>\$ 169,216</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds		
	Education User Surcharges Fund	Hidden Valley Fund	Drop Off Center Fund	Total	Debt Service	Fire Company Reserve Fund	Education Capital Nonrecurring Fund	School Capital Project Fund
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ 4,336,552	\$ -	\$ -	\$ -	\$ -
Charges for services	189,537	-	186,393	1,645,716	-	-	-	-
Contributions	-	-	-	39,440	-	-	-	-
Income from investments	-	-	-	372	-	2,002	-	-
Total revenues	189,537	-	186,393	6,022,080	-	2,002	-	-
Expenditures:								
Current:								
General government	-	-	204,969	238,392	-	-	-	-
Public safety	-	-	-	1,004	-	-	-	-
Health and welfare	-	-	-	43,261	-	-	-	-
Culture and recreation	-	-	-	315,883	-	-	-	-
Education	141,613	-	-	4,802,903	-	-	-	-
Debt service	-	-	-	-	282,933	-	-	-
Capital outlay	-	-	-	-	-	26,110	781,806	-
Total expenditures	141,613	-	204,969	5,401,443	282,933	26,110	781,806	-
Excess (deficiency) of revenues over expenditures	47,924	-	(18,576)	620,637	(282,933)	(24,108)	(781,806)	-
Other financing sources (uses):								
Premium	-	-	-	-	2,402,848	-	-	-
Transfers in	-	-	-	-	1,720,213	159,413	212,035	-
Transfers out	-	-	-	(109,909)	-	-	-	-
Net other financing sources (uses)	-	-	-	(109,909)	4,123,061	159,413	212,035	-
Net change in fund balances	47,924	-	(18,576)	510,728	3,840,128	135,305	(569,771)	-
Fund balances - July 1, 2021 (as restated)	541,132	17,784	(45,242)	3,260,032	-	520,942	945,767	(8,750)
Fund balances - June 30, 2022	\$ 589,056	\$ 17,784	\$ (63,818)	\$ 3,770,760	\$ 3,840,128	\$ 656,247	\$ 375,996	\$ (8,750)

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(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Capital Projects Funds				Total	Permanent Fund	Total Other Governmental Funds
	MHHS Septic Fund	Town Center Beautification Fund	MHHS/HS Renovation Fund	American Rescue Plan Act Fund		Library Fund	
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,336,552
Charges for services	-	-	-	-	-	-	1,645,716
Contributions	-	-	-	-	-	3,437	42,877
Income from investments	-	-	-	3,217	5,219	4	5,595
Total revenues	-	-	-	3,217	5,219	3,441	6,030,740
Expenditures:							
Current:							
General government	-	-	-	-	-	-	238,392
Public safety	-	-	-	-	-	-	1,004
Health and welfare	-	-	-	-	-	-	43,261
Culture and recreation	-	-	-	-	-	-	315,883
Education	-	-	-	-	-	-	4,802,903
Debt service	-	-	-	-	-	-	282,933
Capital outlay	-	-	-	-	807,916	-	807,916
Total expenditures	-	-	-	-	807,916	-	6,492,292
Excess (deficiency) of revenues over expenditures	-	-	-	3,217	(802,697)	3,441	(461,552)
Other financing sources (uses):							
Premium	-	-	-	-	-	-	2,402,848
Transfers in	-	-	-	-	371,448	-	2,091,661
Transfers out	-	-	-	-	-	-	(109,909)
Net other financing sources (uses)	-	-	-	-	371,448	-	4,384,600
Net change in fund balances	-	-	-	3,217	(431,249)	3,441	3,923,048
Fund balances - July 1, 2021 (as restated)	(90,565)	4,089	(154,496)	2,053,601	3,270,588	9,274	6,539,894
Fund balances - June 30, 2022	<u>\$ (90,565)</u>	<u>\$ 4,089</u>	<u>\$ (154,496)</u>	<u>\$ 2,056,818</u>	<u>\$ 2,839,339</u>	<u>\$ 12,715</u>	<u>\$ 10,462,942</u>

(Concluded)

Trend Information

This part of the Town's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Table	Description
Financial Trends (Tables 1-2)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time
Debt Capacity (Table 3)	This schedule presents 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

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

Town of New Fairfield, Connecticut
General Fund
Revenues, Expenditures and Changes in Fund Balances
(Budgetary Basis)
Last Ten Years
(Unaudited)

For the Year Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Property taxes	\$ 52,354,937	\$ 50,084,131	\$ 49,407,965	\$ 48,895,776	\$ 47,562,514	\$ 45,541,688	\$ 45,050,139	\$ 44,370,542	\$ 43,312,416	\$ 41,855,046
Intergovernmental	4,475,897	4,706,386	4,585,282	13,013,176	13,169,118	13,154,176	9,601,063	9,003,763	5,369,919	5,685,262
Charges for services	1,762,028	2,017,501	1,429,653	1,576,051	1,383,899	1,301,381	1,292,389	1,548,585	1,395,692	1,200,048
Income from investments	54,966	109,177	391,860	455,447	310,890	215,853	185,908	177,382	166,778	188,749
Other	21,008	65,212	21,912	94,851	106,581	1,102,680	1,142,991	1,123,834	300,975	223,158
Total revenues	58,668,836	56,982,407	55,836,672	64,035,301	62,533,002	61,315,778	57,272,490	56,224,106	50,545,780	49,152,263
Expenditures:										
Current:										
General government	3,758,005	3,676,785	3,246,478	3,307,562	3,234,467	3,283,843	3,168,220	3,247,276	2,967,477	2,697,982
Public safety	4,067,778	3,861,622	3,961,188	3,727,937	3,299,238	3,034,285	2,872,417	2,546,587	2,359,761	2,346,201
Public works	2,299,926	2,234,061	2,259,078	2,848,963	1,503,777	2,222,795	2,256,466	2,404,570	2,123,839	2,138,483
Health and welfare	564,925	544,133	546,774	528,441	485,938	484,576	483,457	464,962	449,330	441,429
Culture and recreation	553,244	550,399	567,162	540,056	608,424	1,069,129	1,150,447	1,341,253	523,029	513,484
Health insurance	6,050,000	6,129,200	6,000,000	6,100,000	5,952,952	6,160,641	6,493,287	6,495,300	6,434,080	6,267,687
Education	36,241,880	35,725,534	34,662,195	40,898,230	41,805,563	40,499,752	36,936,252	35,540,155	31,026,007	30,835,991
Debt service	3,841,896	2,637,830	2,283,175	2,444,606	2,422,133	2,797,942	3,014,311	2,825,427	3,012,259	3,148,149
Capital outlay	-	-	-	-	-	589,748	40,000	-	979,196	174,857
Total expenditures	57,377,654	55,359,564	53,526,050	60,395,795	59,312,492	60,142,711	56,414,857	54,865,530	49,874,978	48,564,263
Excess (deficiency) of revenues over expenditures	1,291,182	1,622,843	2,310,622	3,639,506	3,220,510	1,173,067	857,633	1,358,576	670,802	588,000
Other financing sources (uses):										
Premium	-	-	-	-	-	711,786	129,219	-	-	-
Sale of capital assets	-	150,850	-	8,550	-	-	2,000	-	-	-
Cancellation of prior year encumbrances	328,882	64,571	75,568	-	-	-	-	-	-	-
Transfers in	-	50,000	35,275	-	-	-	-	-	-	-
Transfers out	(1,179,516)	(1,692,441)	(1,428,444)	(1,203,200)	(3,035,808)	(810,853)	(1,113,893)	(1,337,487)	(684,626)	(402,738)
Net other financing sources (uses)	(850,634)	(1,427,020)	(1,317,601)	(1,194,650)	(3,035,808)	(99,067)	(982,674)	(1,337,487)	(684,626)	(402,738)
Net change in fund balance	\$ 440,548	\$ 195,823	\$ 993,021	\$ 2,444,856	\$ 184,702	\$ 1,074,000	\$ (125,041)	\$ 21,089	\$ (13,824)	\$ 185,262
Debt service as a percentage of expenditures	6.70%	4.76%	4.27%	4.05%	4.08%	4.65%	5.34%	5.15%	6.04%	6.48%

Source: Current and prior year financial statements.

Town of New Fairfield, Connecticut
Property Tax Rates, Levies and Collections
Last Ten Years
(Unaudited)

<u>Year Ended June 30</u>	<u>Grand List of October 1,</u>	<u>(1) Tax Rate in Mills</u>	<u>Total Adjusted Tax Levy</u>	<u>Net Tax Collections</u>	<u>Percent of Levy Collected</u>
2013	2011	24.66	\$ 41,456,164	\$ 41,199,288	99.38%
2014	2012	25.64	42,059,512	41,774,432	99.32%
2015	2013	26.08	44,112,744	43,875,705	99.46%
2016	2014	28.53	42,697,417	42,408,968	99.32%
2017	2015	28.68	42,454,363	42,218,482	99.44%
2018	2016	29.82	47,366,920	47,069,562	99.37%
2019	2017	30.58	49,094,849	48,815,138	99.43%
2020	2018	30.90	49,401,107	49,045,598	99.28%
2021	2019	30.58	49,913,144	49,630,740	99.43%
2022	2020	31.49	51,936,978	51,713,005	99.57%

Source: Tax Collector

Notes:

(1) There are no overlapping tax rates.

(2) Tax levy is per \$1,000 of the assessed value of taxable property.

Town of New Fairfield, Connecticut
Schedule of Debt Limitation
Connecticut Statutes, Section 7-374 (b)
As of and for the Year Ended June 30, 2022
(Unaudited)

Base:

Total tax collections (including interest and lien fees) for prior year \$ 50,087,979

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 112,697,953	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	225,395,906	-	-	-
3 3/4 times base	-	-	187,829,921	-	-
3 1/4 times base	-	-	-	162,785,932	-
3 times base	-	-	-	-	150,263,937
Total debt limitation	112,697,953	225,395,906	187,829,921	162,785,932	150,263,937
Indebtedness:					
Bonds payable	1,351,000	76,939,000	-	-	-
Debt limitation in excess of outstanding debt	<u>\$ 111,346,953</u>	<u>\$ 148,456,906</u>	<u>\$ 187,829,921</u>	<u>\$ 162,785,932</u>	<u>\$ 150,263,937</u>

The total of the above net indebtedness amounts to: \$ 78,290,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 350,615,853

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.