

**TOWN OF NEW FAIRFIELD
BOARD OF FINANCE AGENDA
SPECIAL MEETING
THURSDAY, MARCH 7, 2024
1:00 PM
VIRTUAL MEETING VIA ZOOM**
<https://zoom.us/j/95915903875#>

1. Call to Order
2. Review the Fiscal year 2022-2023 New Fairfield Town Audit with PKF O'Connor Davies, LLP- Joseph Centofanti, Partner
3. Discuss and possibly vote on recommending acceptance of the Fiscal year 2022-2023 New Fairfield Town audit by PKF O'Connor Davies, LLP to the Board of Finance
4. Adjournment

Received by email on 03/06/2024 @ 10:43 a.m.
by Chrystie M. Bontempo, Asst. Town Clerk, New Fairfield

February 16, 2024

To the Board of Finance
Town of New Fairfield, Connecticut

Auditors' Communication with Those Charged with Governance

We have audited the financial statements of Town of New Fairfield, Connecticut (the "Town") as of and for the year ended June 30, 2023, and have issued our report thereon dated (February 16, 2024). Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. This letter provides additional required communications related to our audit.

Our responsibility under professional standards

Our responsibility is to form and express an opinion about whether the financial statements, which are the responsibility of management, are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Those individuals charged with governance of the Town are responsible for the oversight of the financial reporting process, and our audit does not relieve management and those charged with governance of their respective responsibilities.

Our responsibility for the supplementary information accompanying the financial statements is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

With respect to such supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with US GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other information in documents containing audited financial statements

Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to determine that such other information is properly stated. However, in accordance with professional standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Nothing came to our attention that caused us to believe that any such material inconsistencies exist or that the information contains a material misstatement of fact.

Our responsibility under the Federal Single Audit Act

In connection with our audit, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the Town's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the Town's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on the Town's compliance with those requirements.

Our responsibility under the State Single Audit Act

Our responsibilities include considering internal control over compliance with requirements that could have a direct and material effect on a major state program, testing and reporting on internal control over compliance in accordance with Connecticut General Statutes Sections 4-230 to 4-236, and testing evidence of the Town's compliance with the types of compliance requirements described in the Office of Policy and Management's Compliance Supplement applicable to each of its major federal programs.

Planned scope and timing of the audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative aspects of significant accounting practices

Significant accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements other than the adoption of the provisions of the **Governmental Accounting Standards Board ("GASB") Statement Nos. 96, "Subscription-Based Information Technology Arrangements"** as disclosed in the notes to financial statements. No matters have come to our attention that would require us to inform you about (1) the methods used to account for significant unusual transactions, and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant accounting estimates

Accounting estimates made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates.

Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change, such as

- Actuarial assumptions and proportionate share calculations related to pension liabilities
- Actuarial assumptions related to the Other Post Employment Benefit liabilities ("OPEB")
- Incurred but not reported claims liability

Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.

Financial statement disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements relate to:

- Leases receivable
- Pension liability and related plan information
- OPEB liability and related plan information

The financial statement disclosures are consistent and clear.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit

Uncorrected and corrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction.

There are no such financial statement misstatements that remain uncorrected.

None of the misstatements identified by us and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations requested from management

We have requested certain written representations from management in a separate letter.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to the best of our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other matters discussed with management

We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Town, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.

We have provided our comments regarding control deficiencies and other matters noted during our audit in our separate document labeled "Recommendations to Management".

Auditor independence

We affirm that PKF O'Connor Davies, LLP is independent with respect to the Town in accordance with professional standard.

This communication is intended solely for the information and use of the Board of Finance and management of the Town and is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

February 16, 2024
Wethersfield CT

Town of New Fairfield, Connecticut



Annual Financial Report For the Year Ended June 30, 2023

Town of New Fairfield, Connecticut

**Annual Financial Report
For the Year Ended June 30, 2023**

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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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 16, 2024 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 16, 2024



TOWN OF NEW FAIRFIELD
Municipal and School Financial Services
3 Brush Hill Road
New Fairfield, CT 06812-2665
203 312-5656 & FAX 203-312-5659

Management's Discussion and Analysis
For the Year Ended June 30, 2023

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, 2023. 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	\$ 7,285,797
Total net position	109,985,554
Unrestricted net position	19,102,550

- The significant factors for the change in net position are as follows:

Governmental fund activity:

➤ positive operations of the capital nonrecurring fund of	\$ 650,394
➤ positive operations of the school lunch fund of	286,995

The positive operations were offset by:

➤ deficit operations of the general fund of	(158,108)
➤ deficit operations of the school construction fund of	(15,818,996)
➤ deficit operations of the American Rescue Plan Act fund of	(736,390)
➤ deficit operations of the debt service fund of	(797,172)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation/amortization expense of	33,405,272
➤ net long-term debt activity of	(8,797,890)
➤ change in net pension liability of	(1,019,748)
➤ change in net OPEB liability of	(108,513)
➤ net change in pension and OPEB deferred outflows of resources of	274,180
➤ net change in pension and OPEB deferred inflows of resources of	(583,863)

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 \$28,619,468, a decrease of \$16,597,864 in comparison with the prior year. This decrease is primarily a result of deficit operations in the school construction fund of \$15,818,996.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,453,189, a decrease of \$33,061 in comparison with the prior year. This unassigned fund balance represents 18.11% of total budgetary general fund expenditures and transfers out.
- Capital assets (net of depreciation/amortization) increased in the current year by \$33,303,755. The increase is due to substantially to the increase in construction in progress related to the new schools.
- The Town's long-term debt increased by \$7,991,176 due to the issuance of bonds of \$12,000,000 and leases of \$545,173 offset by scheduled principal payments of \$4,553,997.
- The tax collection rate was 99.40% 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. This report also contains other supplementary information as well as the basic financial statements.

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, school construction fund and American Rescue Plan Act 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 statements.

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. 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.

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.
- 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.

Management's Discussion and Analysis

Other information

Other required schedules and the combining statements 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.

Summary Statement of Net Position June 30

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 46,225,694	\$ 65,403,857
Capital assets (net)	<u>179,615,374</u>	<u>146,311,619</u>
Total assets	<u>225,841,068</u>	<u>211,715,476</u>
Deferred outflows of resources	<u>3,719,792</u>	<u>4,374,365</u>
Other liabilities	17,397,439	17,982,173
Long-term liabilities	<u>94,093,396</u>	<u>85,590,045</u>
Total liabilities	<u>111,490,835</u>	<u>103,572,218</u>
Deferred inflows of resources	<u>8,084,471</u>	<u>9,817,866</u>
Net position		
Net investment in capital assets	87,080,967	76,064,688
Restricted	3,802,037	4,216,072
Unrestricted	<u>19,102,550</u>	<u>22,418,997</u>
Total net position	<u>\$ 109,985,554</u>	<u>\$ 102,699,757</u>

The largest portion of the Town's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position, 3.46%, represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is \$19,102,550, which decreased by \$3,316,447 from the prior year due mostly to the increase in the net investment in capital asset mostly due to the construction in progress for the new schools.

Management's Discussion and Analysis

Net position may serve over time as a useful indicator of the Town's financial position. The Town's total net position increased by \$7,285,797.

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

	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,356,936	\$ 3,968,326
Operating grants and contributions	14,526,856	14,485,369
Capital grants and contributions	6,921,920	11,078,373
General revenues		
Property taxes	55,258,851	52,117,122
Grants and contributions not restricted to specific programs	578,332	303,490
Income from investments	1,623,183	64,011
Gain on sale of assets	4,000	-
Other	39,641	21,008
Total revenues	<u>83,309,719</u>	<u>82,037,699</u>
Expenses:		
General government	4,987,831	4,700,643
Public safety	4,589,520	4,602,486
Public works	3,386,958	3,479,974
Health and welfare	1,014,062	626,074
Culture and recreation	1,298,782	1,236,987
Education	58,491,251	55,897,014
Interest	2,255,518	1,423,672
Total expenses	<u>76,023,922</u>	<u>71,966,850</u>
Change in net position	7,285,797	10,070,849
Net position - July 1	<u>102,699,757</u>	<u>92,628,908</u>
Net position - June 30	<u>\$ 109,985,554</u>	<u>\$ 102,699,757</u>

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

Revenues

- Capital grants and contributions revenue decreased by \$4,156,453 primarily due to the decrease in school construction grants of \$4,455,360.
- Property taxes revenue increased by \$3,141,729 primarily due to the increase in the amount required to fund the general fund adopted budget. The largest driver of the increase was the debt service on the \$35,000,000 in bonds issued in the prior year.

Management's Discussion and Analysis

- Income from investments increased by \$1,559,172 primarily due to the continued higher interest rates and the increase in investible monies partially due the receipt of the second installment of the ARPA grant.

Expenses

- General government expenses increased by \$287,188 primarily due to:
 - An increase in the utilities expense of: \$ 122,238
 - An increase in employee benefit expense of: \$ 66,277
- Health and welfare expenses increased by \$387,988 due to the amount expended in the American Rescue Plan Act fund of \$333,902.
- Education expenses increased by \$2,594,237 primarily due to:
 - An increase in employee benefits of: \$1,252,626
 - An increase in the adopted budget of: \$1,835,071
 - A decrease in claims expense of: \$1,058,623
- Interest expense increased by \$831,846 related to bonds of \$35,000,000 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.

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	3,801,555
Committed	17,340,701
Assigned	3,478,050
Unassigned	3,998,680
Total	<u>\$ 28,619,468</u>

Management's Discussion and Analysis

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$28,619,468, a decrease of \$16,597,864 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 \$11,577,796 total fund balance of the general fund, \$11,453,189 was unassigned. During the current fiscal year, the fund balance of the Town's general fund decreased by \$158,108. 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 18.11% of total budgetary general fund expenditures and transfers out, while total fund balance represents 18.31% of that same amount.

General fund budgetary highlights

The difference between the original budget and the final amended budget totaled \$1,845,839 due to additional appropriations from revenues of \$681,675 and from fund balance of \$1,164,164. The details of the additional appropriations primarily consisted of the following:

- Additional appropriation for health insurance of: \$1,382,114
- Transfers out to the capital nonrecurring fund of: \$ 216,050
- Transfer out to the education capital nonrecurring fund of: \$ 95,000

Significant budget variances were as follows:

Revenues

- Intergovernmental revenues were in excess of the amount budgeted by \$269,960 mostly due to additional monies received for the municipal revenue sharing grant of \$274,340.
- Income from investments was over budget by \$478,985 due to the continued high interest rates.

Expenditures

- After transfers, there were no significant budget variances. Prior to transfers, the police budget was under expended by \$247,958 due to less resident trooper costs than anticipated and a position vacancy.

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

Capital nonrecurring fund. The capital nonrecurring fund's net change in fund balance was an increase of \$650,394 for the fiscal year due to the transfers in of \$663,174 and the timing of the spending for projects.

School construction fund. The school construction fund's net change in fund balance was a decrease of \$15,818,996 for the fiscal year due to the timing of the project financing and the construction activity.

American Rescue Plan Act fund. The American Rescue Plan Act fund's net change in fund balance was a decrease of \$736,390 for the fiscal year due to the timing of the funding and spending for grant related purposes.

Management's Discussion and Analysis

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's unrestricted net position at year end was \$214,687, a decrease of \$375,744 from the prior year. The decrease is due to claims in excess of revenues due to higher than expected claims.

Capital assets and debt administration

Capital assets

The Town's investment in capital assets amounts to \$179,615,374 (net of accumulated depreciation/amortization). This investment in capital assets is as follows:

Capital Assets (Net of Depreciation/Amortization) June 30

	<u>2023</u>	<u>2022</u>
Land	\$ 6,950,076	\$ 6,950,076
Construction in progress	94,329,185	61,049,784
Intangible right-to-use assets	486,385	136,558
Land improvements	4,038,725	4,292,508
Buildings and improvements	48,280,289	48,735,864
Vehicles	1,286,137	1,995,529
Machinery and equipment	2,348,377	847,434
Infrastructure	<u>21,896,200</u>	<u>22,303,866</u>
Total	<u>\$ 179,615,374</u>	<u>\$ 146,311,619</u>

The capital assets (net of depreciation/amortization) increased in the current year by \$33,303,755. The increase is due to the following capital additions

➤ Construction in progress:

- School construction projects \$ 33,487,216
- Firehouse renovations 362,431

➤ Buildings and improvements:

- Middle school cafeteria 599,000
- Town hall and annex HVAC 182,280

➤ Machinery and equipment:

- Fire vehicles 831,806
- Police vehicles 143,454
- Body dash cameras 103,350

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

Management's Discussion and Analysis

Long-term debt

At the end of the fiscal year, the Town had total long-term debt outstanding of \$86,379,410. All debt is backed by the full faith and credit of the Town.

	Long-Term Debt	
	June 30	
	<u>2023</u>	<u>2022</u>
General purpose bonds	\$ 1,144,000	\$ 1,351,000
School bonds	84,746,000	76,939,000
Equipment financing notes	-	49,382
Leases	<u>489,410</u>	<u>48,852</u>
Total	<u>\$ 86,379,410</u>	<u>\$ 78,388,234</u>

During the current fiscal year, the Town's total debt increased by \$7,991,176 due to issuance of bonds of \$12,000,000 and leases of \$545,173 offset by scheduled principal payments of \$4,553,997.

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 \$365,991,073, 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.

Economic factors and next year's budgets and rates

As of June 2023, the unemployment rate for the Town was at 4.1%, which is higher than the State average unemployment rate of 3.7% and the national unemployment rate of 3.6%.

Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2024 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, 2023

Assets

Current assets:	
Cash	\$ 10,742,918
Investments	26,287,007
Receivables (net):	
Property taxes	290,763
Intergovernmental	503,368
Loans	82,000
Leases	260,763
Other	258,075
Other	558,303
Total current assets	<u>38,983,197</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	241,374
Permanently restricted:	
Cash	482
Total restricted assets	<u>241,856</u>
Receivables (net):	
Property taxes	281,278
Loans	1,169,143
Leases	5,550,220
Total receivables (net)	<u>7,000,641</u>
Capital assets (net of accumulated depreciation/amortization):	
Land	6,950,076
Construction in progress	94,329,185
Intangible right-to-use assets	486,385
Land improvements	4,038,725
Buildings and improvements	48,280,289
Vehicles	1,286,137
Machinery and equipment	2,348,377
Infrastructure	21,896,200
Total capital assets	<u>179,615,374</u>
Total noncurrent assets	<u>186,857,871</u>
Total assets	<u>225,841,068</u>

Deferred Outflows of Resources

Deferred charge on refunding	214,260
Deferred outflows related to pensions	3,038,725
Deferred outflows related to OPEB	466,807
Total deferred outflows of resources	<u>3,719,792</u>

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

(Continued)

Town of New Fairfield, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2023

Liabilities

Current liabilities:	
Accounts payable	\$ 4,082,360
Accrued payroll and related liabilities	181,279
Retainage payable	3,783,234
Accrued interest payable	817,757
Unearned revenue	2,358,034
Long-term debt	5,437,838
Compensated absences	51,223
Claims payable	519,000
Overpayments	166,714
	17,397,439
Total current liabilities	
Noncurrent liabilities:	
Performance bonds	228,381
Long-term debt and related liabilities	86,088,288
Compensated absences	204,893
Net pension liability	6,895,075
Net OPEB liability	676,759
	94,093,396
Total noncurrent liabilities	
Total liabilities	
	111,490,835

Deferred Inflows of Resources

Lease related	5,500,496
Pension related	270,020
OPEB related	2,313,955
	8,084,471
Total deferred inflows of resources	

Net Position

Net investment in capital assets	87,080,967
Restricted for:	
Endowments:	
Nonexpendable	482
Expendable	12,993
ARPA funded projects	1,320,428
Housing rehabilitation program	1,519,579
Education programs	799,718
Social service programs	63,114
Water operations	28,308
Other	57,415
Unrestricted	19,102,550
	\$ 109,985,554
Total net position	

(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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 4,987,831	\$ 1,031,199	\$ 22,267	\$ -	\$ (3,934,365)
Public safety	4,589,520	393,545	28,529	-	(4,167,446)
Public works	3,386,958	700,762	-	673,051	(2,013,145)
Health and welfare	1,014,062	38,500	25,332	-	(950,230)
Culture and recreation	1,298,782	570,090	4,155	-	(724,537)
Education	58,491,251	1,622,840	14,446,573	6,248,869	(36,172,969)
Interest	2,255,518	-	-	-	(2,255,518)
Total	\$ 76,023,922	\$ 4,356,936	\$ 14,526,856	\$ 6,921,920	(50,218,210)
General revenues:					
Property taxes					55,258,851
Grants and contributions not restricted to specific programs					578,332
Income from investments					1,623,183
Gain on sale of assets					4,000
Other					39,641
Total general revenues					57,504,007
Change in net position					7,285,797
Net position - July 1, 2022					102,699,757
Net position - June 30, 2023					\$ 109,985,554

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

Town of New Fairfield, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Capital Nonrecurring Fund	School Construction Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash	\$ 311,017	\$2,306,152	\$ 1,622,969	\$ 1,443,670	\$ 4,902,366	\$ 10,586,174
Restricted cash	228,381	-	-	-	-	228,381
Investments	11,621,543	-	10,000,000	2,000,000	2,665,464	26,287,007
Receivables (net):						
Property taxes	572,041	-	-	-	-	572,041
Intergovernmental	62,568	4,438	-	-	436,362	503,368
Loans	-	-	-	-	1,251,143	1,251,143
Leases	-	5,810,983	-	-	-	5,810,983
Other	73,125	-	-	-	28,495	101,620
Due from other funds	1,004,712	45,217	-	-	22,921	1,072,850
Other	-	-	-	-	13,574	13,574
Total assets	\$ 13,873,387	\$8,166,790	\$11,622,969	\$ 3,443,670	\$ 9,320,325	\$ 46,427,141
<u>Liabilities</u>						
Accounts payable	\$ 1,008,717	\$ 13,279	\$ 2,594,722	\$ 67,599	\$ 106,618	\$ 3,790,935
Accrued payroll and related liabilities	154,585	-	-	2,042	24,652	181,279
Retainage payable	-	-	3,783,234	-	-	3,783,234
Due to other funds	165,153	-	-	-	1,066,487	1,231,640
Unearned revenue	-	48,144	-	2,053,601	251,208	2,352,953
Overpayments	166,714	-	-	-	-	166,714
Performance bonds	228,381	-	-	-	-	228,381
Total liabilities	1,723,550	61,423	6,377,956	2,123,242	1,448,965	11,735,136
<u>Deferred Inflows of Resources</u>						
Unavailable revenue:						
Property taxes	572,041	-	-	-	-	572,041
Lease related	-	5,500,496	-	-	-	5,500,496
Total deferred inflows of resources	572,041	5,500,496	-	-	-	6,072,537
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	482	482
Restricted	-	-	-	1,320,428	2,481,127	3,801,555
Committed	-	2,294,384	12,387,874	-	2,658,443	17,340,701
Assigned	124,607	310,487	-	-	3,042,956	3,478,050
Unassigned	11,453,189	-	(7,142,861)	-	(311,648)	3,998,680
Total fund balances	11,577,796	2,604,871	5,245,013	1,320,428	7,871,360	28,619,468
Total liabilities, deferred inflows of resources and fund balances	\$ 13,873,387	\$8,166,790	\$11,622,969	\$ 3,443,670	\$ 9,320,325	\$ 46,427,141

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

(Continued)

Town of New Fairfield, Connecticut

Reconciliation of Fund Balances to Net Position of Governmental Activities
June 30, 2023

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)	<u>\$ 28,619,468</u>
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Capital assets are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets (net)	146,311,619
Current year additions (net of construction in progress)	36,909,152
Depreciation/amortization expense	(3,503,880)
Disposal of capital assets	<u>(101,517)</u>

Total	<u>179,615,374</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	214,260
Deferred outflows related to pensions	3,038,725
Deferred outflows related to OPEB	<u>466,807</u>

Total	<u>3,719,792</u>
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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>572,041</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>214,687</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	(85,890,000)
Leases payable	(489,410)
Premium	(5,146,716)
Compensated absences	(256,116)
Net pension liability	(6,895,075)
Net OPEB liability	(676,759)
Accrued interest payable	(817,757)
Deferred inflows related to pension	(270,020)
Deferred inflows related to OPEB	<u>(2,313,955)</u>

Total	<u>(102,755,808)</u>
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Net position (Exhibit A)	<u><u>\$ 109,985,554</u></u>
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(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, 2023

	General Fund	Capital Nonrecurring Fund	School Construction Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 55,086,491	\$ -	\$ -	\$ -	\$ -	\$ 55,086,491
Intergovernmental	12,309,086	172,334	6,248,869	-	3,225,387	21,955,676
Charges for services	1,621,782	687,601	-	-	2,047,553	4,356,936
Contributions	-	-	-	-	71,432	71,432
Income from investments	1,378,985	86,524	-	129,369	28,305	1,623,183
Other	24,641	15,000	-	-	-	39,641
Total revenues	70,420,985	961,459	6,248,869	129,369	5,372,677	83,133,359
Expenditures:						
Current:						
General government	4,060,811	23,999	-	-	212,431	4,297,241
Public safety	4,087,815	-	-	-	7,486	4,095,301
Public works	2,370,624	-	-	-	-	2,370,624
Health and welfare	584,179	-	-	333,902	87,761	1,005,842
Culture and recreation	564,753	-	-	-	499,592	1,064,345
Health insurance	7,441,807	-	-	-	-	7,441,807
Education	45,412,179	-	-	-	4,057,399	49,469,578
Debt service	5,302,751	-	-	-	1,603,886	6,906,637
Capital outlay	-	739,916	34,067,865	531,857	1,096,097	36,435,735
Total expenditures	69,824,919	763,915	34,067,865	865,759	7,564,652	113,087,110
Excess (deficiency) of revenues over expenditures	596,066	197,544	(27,818,996)	(736,390)	(2,191,975)	(29,953,751)
Other financing sources (uses):						
Issuance of debt	-	-	12,000,000	-	545,173	12,545,173
Premium	-	-	-	-	806,714	806,714
Sale of capital assets	4,000	-	-	-	-	4,000
Transfers in	-	663,174	-	-	305,324	968,498
Transfers out	(758,174)	(210,324)	-	-	-	(968,498)
Net other financing sources (uses)	(754,174)	452,850	12,000,000	-	1,657,211	13,355,887
Net change in fund balances	(158,108)	650,394	(15,818,996)	(736,390)	(534,764)	(16,597,864)
Fund balances - July 1, 2022 (as restated)	11,735,904	1,954,477	21,064,009	2,056,818	8,406,124	45,217,332
Fund balances - June 30, 2023	\$ 11,577,796	\$ 2,604,871	\$ 5,245,013	\$ 1,320,428	\$ 7,871,360	\$ 28,619,468

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, 2023**

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

Net change in fund balances - total governmental funds (Exhibit D) \$ (16,597,864)

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	36,909,152
Depreciation/amortization expense	<u>(3,503,880)</u>

Total 33,405,272

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>(101,517)</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>172,360</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:	
Bonds	(12,000,000)
Leases	(545,173)
Premium	(806,714)

Principal payments:	
Bonds	4,400,000
Notes payable	49,382
Leases payable	<u>104,615</u>

Total (8,797,890)

(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, 2023

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/amortization of:	
Premium	\$ 341,480
Compensated absences	134,397
Net pension liability	(1,019,748)
Net OPEB liability	(108,513)
Accrued interest payable	(69,033)
Deferred outflows of resources related to pension	(70,710)
Deferred inflows of resources related to pension	(573,232)
Deferred outflows of resources related to OPEB	344,890
Deferred inflows of resources related to OPEB	(10,631)
Deferred charges on refunding	<u>612,280</u>
Total	<u>(418,820)</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>(375,744)</u>
Change in net position (Exhibit B)	<u>\$ 7,285,797</u>
	(Concluded)

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

Town of New Fairfield, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2023

	<u>Internal Service Fund</u>
	<u>Medical Insurance Fund</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 170,219
Accounts receivable	156,455
Due from other funds	158,790
Prepaid	<u>544,729</u>
Total current assets	<u>1,030,193</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	291,425
Claims payable	519,000
Unearned revenue	<u>5,081</u>
Total current liabilities	<u>815,506</u>
<u>Net Position</u>	
Unrestricted	<u><u>\$ 214,687</u></u>

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, 2023

	<u>Internal Service Fund</u>
	<u>Medical Insurance Fund</u>
Operating revenues:	
Charges for services	<u>\$ 9,117,201</u>
Operating expenses:	
Claims	7,667,390
Administration	709,006
HSA contributions	587,993
Insurance	515,920
Wellness incentives	<u>12,636</u>
Total operating expenses	<u>9,492,945</u>
Change in net position	(375,744)
Net position - July 1, 2022	<u>590,431</u>
Net position - June 30, 2023	<u><u>\$ 214,687</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, 2023

	<u>Internal Service Fund</u>
	<u>Medical Insurance Fund</u>
Cash flows from (used in) operating activities:	
Cash received for charges	\$ 9,415,654
Cash paid for claims	(7,827,390)
Cash paid for administration	(709,006)
Cash paid for insurance and incentives	<u>(976,429)</u>
Net cash from (used in) operating activities	(97,171)
Cash - July 1, 2022	<u>267,390</u>
Cash - June 30, 2023	<u><u>\$ 170,219</u></u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ (375,744)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
(Increase) decrease in:	
Accounts receivable	(52,370)
Due from other funds	857,199
Prepaid	(505,354)
Increase (decrease) in:	
Accounts payable	140,120
Claims payable	(160,000)
Unearned revenue	<u>(1,022)</u>
Net cash from (used in) operating activities	<u><u>\$ (97,171)</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, 2023

	<u>Pension and OPEB Trust Funds</u>	<u>Custodial Fund</u>
<u>Assets</u>		
Investments:		
Mutual funds:		
Money market	\$ 156,640	\$ -
Equity	14,379,946	-
U.S. government obligations	11,026,231	-
Bond	11,632	-
Annuities	-	825,019
	<u> </u>	<u> </u>
Total investments	<u>25,574,449</u>	<u>825,019</u>
<u>Net Position</u>		
Restricted for:		
Pensions	21,856,705	-
OPEB	3,717,744	-
Individuals and organizations	-	825,019
	<u> </u>	<u> </u>
Total net position	<u><u>\$ 25,574,449</u></u>	<u><u>\$ 825,019</u></u>

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, 2023

	Pension and OPEB Trust Funds	Custodial Fund
	<u> </u>	<u> </u>
Additions:		
Contributions	\$ 1,039,807	\$ 65,047
Investment income (loss):		
Net change in fair value of investments	1,275,271	79
Interest and dividends	<u>641,942</u>	<u>29,539</u>
Total investment income (loss)	1,917,213	29,618
Less investment expense	<u>86,690</u>	<u>-</u>
Net investment income (loss)	<u>1,830,523</u>	<u>29,618</u>
Total additions	<u>2,870,330</u>	<u>94,665</u>
Deductions:		
Benefits	1,220,931	-
Administration	<u>52,248</u>	<u>1,547</u>
Total deductions	<u>1,273,179</u>	<u>1,547</u>
Change in net position	1,597,151	93,118
Net position - July 1, 2022	<u>23,977,298</u>	<u>731,901</u>
Net position - June 30, 2023	<u><u>\$ 25,574,449</u></u>	<u><u>\$ 825,019</u></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, 2023****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, 2023

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.
American Rescue Plan Act Fund	Accounts for and reports the proceeds and expenditures of the American Rescue Plan Act ("ARPA") grant.

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, 2023

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 collective 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, 2023

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	100.00%	100.00%	100.00%

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, 2023

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, 2023

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 5.50% to 23.50% 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, 2023

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

Capital assets, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below 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. Capital assets 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
Intangible right-to-use leased assets	Lease term	20,000

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, 2023****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 buildings and 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 \$20,000 or more.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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 term. Subsequently, the lease liability is reduced by the principal portion of payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for payments made at or before the 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 and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease term includes the noncancellable period of the lease.
Payments	Lease payments included in the measurement of the 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, 2023

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, 2023

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

Project	Project Authorization	Cumulative Expenditures	Balance
High school project	\$ 84,220,000	\$ 64,969,283	\$ 19,250,717
Consolidated Early Learning Academy project	29,190,000	26,014,762	3,175,238
Total	<u>\$ 113,410,000</u>	<u>\$ 90,984,045</u>	<u>\$ 22,425,955</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

At year end, the Town's bank balance including bank money market and certificates of deposit classified as investments, was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 20,372,245</u>
Uninsured and uncollateralized	\$ 10,394,343
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,440,903</u>
Total amount subject to custodial credit risk	<u>\$ 12,835,246</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	\$ 156,640	\$ -	\$ 156,640	\$ -	\$ -
Equity	14,379,946	14,379,946	-	-	-
U.S. government obligations	11,026,231	-	-	556,121	10,470,110
Bond	11,632	-	-	2,422	9,210
Bank money market	3,645	-	3,645	-	-
Certificates of deposit	8,885,948	-	6,986,135	1,899,813	-
Pooled fixed income	17,397,414	-	17,397,414	-	-
Annuities	825,019	-	-	-	825,019
Total	52,686,475	<u>\$ 14,379,946</u>	<u>\$ 24,543,834</u>	<u>\$ 2,458,356</u>	<u>\$11,304,339</u>
Less fiduciary funds	<u>(26,399,468)</u>				
Other funds	<u>\$ 26,287,007</u>				

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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
<u>Investments by fair value level</u>			
Mutual funds:			
Money market	\$ 156,640	\$ 156,640	\$ -
Equity	14,379,946	14,379,946	-
U.S. government obligations	11,026,231	11,026,231	-
Bond	11,632	11,632	-
Annuities	825,019	-	825,019
Total investments by fair value level	<u>26,399,468</u>	<u>\$ 25,574,449</u>	<u>\$ 825,019</u>
<u>Other investments</u>			
Bank money market	3,645		
Certificates of deposit	8,885,948		
Pooled fixed income	<u>17,397,414</u>		
Total other investments	<u>26,287,007</u>		
Total investments	<u>\$ 52,686,475</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 and AM Best (annuities) as follows:

Type of Investment	Ratings			
	AAA	A	Unrated	Total
Mutual funds:				
Money market	\$ -	\$ -	\$ 156,640	\$ 156,640
U.S. government obligations	-	-	11,026,231	11,026,231
Bond	-	-	11,632	11,632
Pooled fixed income	17,397,414	-	-	17,397,414
Annuities	-	825,019	-	825,019
Total	<u>\$ 17,397,414</u>	<u>\$ 825,019</u>	<u>\$ 11,194,503</u>	<u>\$ 29,416,936</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, 2023

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	\$ 281,438	\$ 9,326	\$ 290,763	\$ 82,000
Long-term portion	208,786	182,491	391,278	1,244,143
Less allowance for uncollectibles	(65,000)	(45,000)	(110,000)	(75,000)
Net long-term portion	143,786	137,491	281,278	1,169,143
Totals (net)	\$ 425,224	\$ 146,817	\$ 572,041	\$ 1,251,143

2. Leases receivable

The Town reports the following lease balances and activity:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Cell towers	\$ 5,810,983	\$ 5,500,496	\$ 411,374	\$ 152,675
Less: current portion	(260,763)			
Long-term portion	\$ 5,550,220			

Description	Terms
Cell tower	The Town is lessor for 8 lease agreements for the right to use various cell towers. The leases all include automatic renewal terms. All cell tower agreements range from 1-25 years left in their current terms.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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	\$ -	\$ 6,363
Education grants fund	N/A	221,225	-
Small cities fund	N/A	1,452	-
Recreation programs fund	N/A	67,931	-
Drop off center fund	N/A	324,552	-
School projects fund	N/A	245,061	-
Town capital projects fund	N/A	144,491	-
Medical insurance fund	N/A	-	158,790
Total general fund		<u>1,004,712</u>	<u>165,153</u>
Capital nonrecurring fund:			
General fund	N/A	6,363	-
Recreation programs fund	N/A	10,197	-
School projects fund	N/A	28,657	-
Total capital nonrecurring fund		<u>45,217</u>	<u>-</u>
Other governmental funds:			
Education grants fund	General fund	-	221,225
Education grants fund	Education user surcharges fund	-	10
Small cities fund	General fund	-	1,452
Miscellaneous grants fund	Senior center fund	-	4,948
Senior center fund	Miscellaneous grants fund	4,948	-
Recreation programs fund	General fund	-	67,931
Recreation programs fund	Capital nonrecurring fund	-	10,197
Recreation programs fund	Education user surcharges fund	-	17,963
Education user surcharges fund	Education grants fund	10	-
Education user surcharges fund	Recreation programs fund	17,963	-
Drop off center fund	General fund	-	324,552
School projects fund	General fund	-	245,061
School projects fund	Capital nonrecurring fund	-	28,657
Town capital projects fund	General fund	-	144,491
Total other governmental funds		<u>22,921</u>	<u>1,066,487</u>
Internal service fund:			
Medical insurance fund	General fund	158,790	-
Total		<u>\$ 1,231,640</u>	<u>\$ 1,231,640</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)

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.

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	\$ -	\$ 663,174
Education capital nonrecurring fund	N/A	-	95,000
		<u>-</u>	<u>758,174</u>
Total general fund			
Capital nonrecurring fund:			
General fund	N/A	663,174	-
Fire company reserve fund	N/A	-	116,439
Education capital nonrecurring fund	N/A	-	93,885
		<u>663,174</u>	<u>210,324</u>
Total capital nonrecurring fund			
Other governmental funds:			
Fire company reserve fund	Capital nonrecurring fund	116,439	-
Education capital nonrecurring fund	General fund	95,000	-
Education capital nonrecurring fund	Capital nonrecurring fund	93,885	-
		<u>305,324</u>	<u>-</u>
Total other governmental funds			
		<u>\$ 968,498</u>	<u>\$ 968,498</u>
Total			

Transfers are used to move budgeted appropriations from the general fund for 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, 2023

D. Capital assets

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2022	Increase	Decrease	Balance June 30, 2023
Capital assets, not being depreciated/ amortized:				
Land	\$ 6,950,076	\$ -	\$ -	\$ 6,950,076
Construction in progress	61,049,784	34,079,906	800,505	94,329,185
Total capital assets, not being depreciated/amortized	67,999,860	34,079,906	800,505	101,279,261
Capital assets, being depreciated/ amortized:				
Intangible right-to-use assets	170,697	545,173	154,645	561,225
Land improvements	6,839,384	4,199	-	6,843,583
Buildings and improvements	86,450,198	1,443,304	-	87,893,502
Vehicles	7,333,062	-	190,175	7,142,887
Machinery and equipment	4,553,298	1,561,482	263,544	5,851,236
Infrastructure	45,292,077	75,593	-	45,367,670
Total capital assets, being depreciated/ amortized	150,638,716	3,629,751	608,364	153,660,103
Total capital assets	218,638,576	37,709,657	1,408,869	254,939,364
Less accumulated depreciation/ amortization for:				
Intangible right-to-use assets	34,139	195,346	154,645	74,840
Land improvements	2,546,876	257,982	-	2,804,858
Buildings and improvements	37,714,334	1,898,879	-	39,613,213
Vehicles	5,677,483	329,731	150,464	5,856,750
Machinery and equipment	3,365,914	338,683	201,738	3,502,859
Infrastructure	22,988,211	483,259	-	23,471,470
Total accumulated depreciation/amortization	72,326,957	3,503,880	506,847	75,323,990
Total capital assets, being depreciated/ amortized, net	78,311,759	125,871	101,517	78,336,113
Capital assets, net	<u>\$ 146,311,619</u>	<u>\$ 34,205,777</u>	<u>\$ 902,022</u>	<u>\$ 179,615,374</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

Intangible right-to-use assets by category are as follows:

	<u>Asset</u>	<u>Accumulated Amortization</u>
Intangible right-to-use machinery and equipment	<u>\$ 561,225</u>	<u>\$ 74,840</u>

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

General government	\$ 97,411
Public safety	529,579
Public works	685,154
Health and welfare	4,642
Culture and recreation	269,735
Education	<u>1,917,359</u>
Total depreciation/amortization expense	<u>\$ 3,503,880</u>

E. Construction commitments

The Town has the following construction contract commitments:

High School project	\$ 11,569,846
Consolidated Early Learning Academy project	<u>818,028</u>
Total	<u>\$ 12,387,874</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities

Bonds, 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, 2022	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Bonds:										
General Purpose:										
Refunding bond	\$ 863,000	2016	06/30/30	2.00-4.00%	\$ 863,000	\$ -	\$ 110,000	\$ 753,000	\$ 109,000	\$ 644,000
Refunding bond	1,116,000	2017	07/15/30	3.00-4.00%	488,000	-	97,000	391,000	98,000	293,000
Total general purpose	1,979,000				1,351,000	-	207,000	1,144,000	207,000	937,000
School bonds:										
Refunding bond	7,857,000	2016	06/30/30	2.00-4.00%	7,857,000	-	655,000	7,202,000	646,000	6,556,000
Refunding bond	6,639,000	2017	07/15/30	3.00-4.00%	2,902,000	-	578,000	2,324,000	582,000	1,742,000
Improvement bond	8,000,000	2020	03/15/40	2.00-4.00%	7,200,000	-	400,000	6,800,000	400,000	6,400,000
Improvement bond	25,000,000	2021	04/23/41	2.00-4.00%	23,980,000	-	1,260,000	22,720,000	1,260,000	21,460,000
Improvement bond	35,000,000	2022	03/01/42	2.60-4.00%	35,000,000	-	1,300,000	33,700,000	1,775,000	31,925,000
Improvement bond	12,000,000	2023	04/01/43	4.00-5.00%	-	12,000,000	-	12,000,000	460,000	11,540,000
Total school bonds	94,496,000				76,939,000	12,000,000	4,193,000	84,746,000	5,123,000	79,623,000
Total bonds					78,290,000	12,000,000	4,400,000	85,890,000	5,330,000	80,560,000
Notes (direct borrowings):										
Equipment financing notes:										
Copiers	589,749	2017	11/01/22	4.00%	49,382	-	49,382	-	-	-
Total bonds and notes payable					78,339,382	12,000,000	4,449,382	85,890,000	5,330,000	80,560,000

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Leases payable					\$ 48,852	\$ 545,173	\$ 104,615	\$ 489,410	\$ 107,838	\$ 381,572
Total long-term debt					78,388,234	12,545,173	4,553,997	86,379,410	5,437,838	80,941,572
Premium					4,681,482	806,714	341,480	5,146,716	-	5,146,716
Total long-term debt and related liabilities					83,069,716	13,351,887	4,895,477	91,526,126	5,437,838	86,088,288
Compensated absences *					390,513	-	134,397	256,116	51,223	204,893
Net pension liability					5,875,327	3,660,279	2,640,531	6,895,075	-	6,895,075
Net OPEB liability					568,246	532,269	423,756	676,759	-	676,759
Total long-term liabilities					<u>\$ 89,903,802</u>	<u>\$ 17,544,435</u>	<u>\$ 8,094,161</u>	<u>\$ 99,354,076</u>	<u>\$ 5,489,061</u>	<u>\$ 93,865,015</u>

* Net change

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, 2023

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

Year Ended June 30	Bond Principal	Total Interest
2024	\$ 5,330,000	\$ 2,835,594
2025	5,465,000	2,618,488
2026	5,475,000	2,375,888
2027	5,490,000	2,148,038
2028	5,465,000	1,927,513
2029	5,465,000	1,707,363
2030	5,445,000	1,500,113
2031	4,710,000	1,321,938
2032	4,040,000	1,183,488
2033	4,040,000	1,072,838
2034	4,045,000	961,988
2035	4,050,000	850,838
2036	4,050,000	746,388
2037	4,050,000	639,963
2038	4,045,000	532,450
2039	4,045,000	423,990
2040	4,045,000	314,445
2041	3,645,000	203,815
2042	2,380,000	101,900
2043	610,000	24,400
Total	<u>\$ 85,890,000</u>	<u>\$ 23,491,438</u>

3. 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	\$ 117,639,988	\$ 1,144,000	\$ 116,495,988
Schools	235,279,976	84,746,000	150,533,976
Sewers	196,066,646	-	196,066,646
Urban Renewal	169,924,427	-	169,924,427
Pension Deficit	156,853,317	-	156,853,317

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation:

\$ 365,991,073

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

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.

4. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

Schools	\$ 33,410,000
---------	---------------

5. Leases

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Postage machines	2022	3	2.51%	\$ 16,052	\$ 3,700
Education copiers	2023	5	4.50%	545,173	485,710
Total				\$ 561,225	\$ 489,410

*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 lease payable principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2024	\$ 107,838	\$ 21,950
2025	108,824	17,171
2026	113,721	12,274
2027	118,838	7,156
2028	40,189	1,808
Totals	\$ 489,410	\$ 60,359

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Fund balances and restricted net position

Fund balances are composed of the following:

	General Fund	Capital Nonrecurring Fund	School Construction Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Library operations	\$ -	\$ -	\$ -	\$ -	\$ 482	\$ 482
Restricted:						
Cemetery operations	-	-	-	-	8,295	8,295
Cafeteria operations *	-	-	-	-	797,895	797,895
School activities	-	-	-	-	1,823	1,823
Housing rehabilitation programs	-	-	-	-	1,519,579	1,519,579
Library operations	-	-	-	-	12,993	12,993
Public safety - police	-	-	-	-	31,356	31,356
Social services programs	-	-	-	-	63,114	63,114
Document preservation fees *	-	-	-	-	17,764	17,764
Water operations *	-	-	-	-	28,308	28,308
ARPA funded projects	-	-	-	1,320,428	-	1,320,428
Total restricted	-	-	-	1,320,428	2,481,127	3,801,555
Committed:						
Public safety programs	-	-	-	-	23,484	23,484
Construction contracts	-	-	12,387,874	-	-	12,387,874
Approved projects	-	2,294,384	-	-	4,089	2,298,473
Education programs	-	-	-	-	704,711	704,711
Education approved projects	-	-	-	-	444,089	444,089
Library operations	-	-	-	-	80,512	80,512
Fire department capital projects	-	-	-	-	523,999	523,999
School activities	-	-	-	-	565,245	565,245
Culture and recreation programs	-	-	-	-	312,314	312,314
Total committed	-	2,294,384	12,387,874	-	2,658,443	17,340,701
Assigned:						
General government	12,948	-	-	-	-	12,948
Public safety	1,325	-	-	-	-	1,325
Public works	88,765	-	-	-	-	88,765
Education	21,569	-	-	-	-	21,569
Lease receivable	-	310,487	-	-	-	310,487
Debt service	-	-	-	-	3,042,956	3,042,956
Total assigned	124,607	310,487	-	-	3,042,956	3,478,050
Unassigned	11,453,189	-	(7,142,861)	-	(311,648)	3,998,680
Total	\$11,577,796	\$2,604,871	\$ 5,245,013	\$ 1,320,428	\$ 7,871,360	\$ 28,619,468

*The amount of net position restricted by enabling legislation totaled:

\$ 843,967General fund encumbrances total: \$ 124,607

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

H. Deficit Fund Balance

The following funds had deficit fund balances at year end:

Special revenue funds:	
Drop off center fund	\$ 57,837

Capital project funds:	
School projects fund	253,811

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, 2023

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>
2021-2022	\$ 369,000	\$ 7,628,723	\$ 7,318,723	\$ 679,000
2022-2023	679,000	7,667,390	7,827,390	519,000

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, 2023

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

Membership in the plans is as follows:

	July 1, 2022 <u>Town</u>	July 1, 2022 <u>Education</u>
Active members	44	104
Terminated employees entitled to benefits	24	64
Retirees, disabled employees, and beneficiaries receiving benefits	<u>34</u>	<u>48</u>
Total	<u><u>102</u></u>	<u><u>216</u></u>

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, 2023

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 year between 5 and 10 years before normal retirement date
Vesting - service	100% after 5 years	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</u>	<u>Education</u>
14.82%	12.25%

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, 2023

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		Long-term Expected Real Rate of Return	
	Town	Education	Town	Education
U.S. large caps	26.00%	20.20%	4.08%	4.08%
U.S. small caps	10.00%	8.00%	4.65%	4.65%
Foreign developed equity	20.20%	15.00%	5.56%	5.56%
Emerging markets equity	4.40%	3.20%	5.97%	5.97%
U.S. core fixed income	33.10%	45.70%	1.84%	1.84%
U.S. short bonds	4.50%	6.50%	0.75%	0.75%
Non-U.S. bonds	1.80%	1.40%	(0.54%)	(0.54%)
Total/weighted average	<u>100.00%</u>	<u>100.00%</u>	4.25%	3.75%
Long-term inflation expectation			<u>2.50%</u>	<u>2.50%</u>
Portfolio nominal mean rate			<u>6.75%</u>	<u>6.25%</u>
Long-term expected rate of return			<u>6.75%</u>	<u>6.25%</u>

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 summarized above.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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	8.52%	6.26%

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	\$ 14,066,552	\$ 12,963,595
Plan fiduciary net position	<u>11,334,158</u>	<u>10,522,547</u>
Net pension liability	<u>\$ 2,732,394</u>	<u>\$ 2,441,048</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>80.58%</u>	<u>81.17%</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, 2022	July 1, 2022
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-2021 Ultimate scale	PubG-2010 Mortality Table with generational projection of future improvements per the MP-2021 Ultimate scale

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

7. Changes from prior year

a. Changes in assumptions

	From	To
Mortality rates	MP-2019 Ultimate scale	MP-2021 Ultimate Scale

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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as dated below. The changes in net pension liability were as follows:

Valuation date: July 1, 2022	Increase (Decrease)		
Town	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2022	\$ 13,394,567	\$10,459,487	\$ 2,935,080
Service cost	282,536	-	282,536
Interest	907,919	-	907,919
Differences between expected and actual experience	(13,524)	-	(13,524)
Changes in assumptions	(44,542)	-	(44,542)
Contributions - employer	-	447,876	(447,876)
Net investment income (loss)	-	908,251	(908,251)
Benefit payments, including refunds of member contributions	(460,404)	(460,404)	-
Administration	-	(21,052)	21,052
Net change	671,985	874,671	(202,686)
Balance at June 30, 2023	\$ 14,066,552	\$11,334,158	\$ 2,732,394

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

Valuation date: July 1, 2022	Increase (Decrease)		
Education	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2022	\$ 12,118,159	\$ 9,786,102	\$ 2,332,057
Service cost	323,424	-	323,424
Interest	767,497	-	767,497
Differences between expected and actual experience	139,298	-	139,298
Changes in assumptions	(56,552)	-	(56,552)
Contributions - employer	-	460,638	(460,638)
Net investment income (loss)	-	629,809	(629,809)
Benefit payments, including refunds of member contributions	(328,231)	(328,231)	-
Administration	-	(25,771)	25,771
Net change	845,436	736,445	108,991
Balance at June 30, 2023	\$ 12,963,595	\$ 10,522,547	\$ 2,441,048

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 plan	6.75%	\$ 4,379,963	\$ 2,732,394	\$ 1,333,247
Education	6.25%	\$ 3,944,535	\$ 2,441,048	\$ 1,173,676

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)**11. Pension expense and deferred outflows and inflows of resources**

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>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 145,744	\$ 9,660	\$ 136,084
Changes in assumptions	63,416	31,816	31,600
Net difference between projected and actual earnings on pension plan investments	<u>763,828</u>	<u>-</u>	<u>763,828</u>
Total	<u>\$ 972,988</u>	<u>\$ 41,476</u>	<u>\$ 931,512</u>
The Town recognized pension expense of:			<u>\$ 997,682</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	\$ 92,865	\$ 65,186	\$ 27,679
Changes in assumptions	24,451	37,513	(13,062)
Net difference between projected and actual earnings on pension plan investments	<u>873,516</u>	<u>-</u>	<u>873,516</u>
Total	<u>\$ 990,832</u>	<u>\$ 102,699</u>	<u>\$ 888,133</u>
The Education plan recognized pension expense of:			<u>\$ 953,087</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	3.00
Education	3.00

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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
2024	\$ 311,823	\$ 230,631
2025	171,587	207,658
2026	488,815	452,797
2027	<u>(40,713)</u>	<u>(2,953)</u>
Total	<u>\$ 931,512</u>	<u>\$ 888,133</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
- Police officers and firefighters with social security
- Police officers and firefighters 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 Fire	Compulsory retirement age is age 65

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees' retirement system (continued)

2. Benefit provisions (continued)

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, 2023

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 collective net pension liability was measured as of June 30, 2022, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportionate share of the collective net pension liability was based upon the Town's 2022 actuarial (expected) payroll relative to the payroll of all the participating employers as of that date.

The Town's proportional share and change from prior year was as follows:

<u>Plan Description</u>	<u>Proportional share</u>	<u>Change from prior year</u>
Police and fire with social security	1.654917%	0.448175%
The Town's proportional share of the collective net pension liability was:		<u>\$ 1,721,633</u>

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 collective net pension liability.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees' retirement system (continued)

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Difference between expected and actual experience	\$ 251,083	\$ 51,686	\$ 199,397
Changes in proportional share	371,725	74,159	297,566
Net difference between projected and actual earnings on pension plan investments	245,447	-	245,447
Contributions subsequent to measurement date	<u>206,650</u>	<u>-</u>	<u>206,650</u>
Total	<u>\$ 1,074,905</u>	<u>\$ 125,845</u>	949,060
Contributions subsequent to the measurement date to be recognized as a reduction of the collective net pension liability in the subsequent year			<u>(206,650)</u>
Net amortized amount of deferred inflows and outflows			<u>\$ 742,410</u>
The Town recognized pension expense of:			<u>\$ 406,383</u>

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

Year Ending June 30,	
2024	\$ 187,514
2025	163,691
2026	167,949
2027	<u>223,256</u>
Total	<u>\$ 742,410</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees' retirement system (continued)**5. Actuarial assumptions**

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

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	<p><u>Employees:</u> 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.</p> <p><u>Police and Fire:</u> RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected 2022 with Scale BB.</p> <p><u>Disabled:</u> For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.</p>

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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:

Asset Class	Target Allocation	Long-Term Target Expected Real Rate of Return
Global equity	37.00%	6.90%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.20%
Real estate	10.00%	6.30%
Infrastructure and natural resources	7.00%	7.70%
Total	<u>100.00%</u>	

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut municipal employees’ retirement system (continued)

6. Discount rate

The discount rate used to measure the collective 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 collective total pension liability.

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

The following presents the Town’s proportional share of the collective net pension liability of MERS, calculated using the discount rate, as well as what the collective 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:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town's proportionate share of the collective net pension liability	<u>7.00%</u>	<u>\$2,405,224</u>	<u>\$ 1,721,633</u>	<u>\$1,150,567</u>

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, 2022.

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)

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

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
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 collective net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

The amounts recognized by the Town as its proportionate share of the collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the town	<u>90,575,744</u>
Total	<u>\$ 90,575,744</u>
The Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 7,141,247</u>

The collective net pension liability was measured as of June 30, 2022, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net pension liability.

5. Actuarial assumptions

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

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, 2022 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, 2023

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%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	<u>2.00%</u>	(0.40%)
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the collective 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 collective total pension liability.

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

The Town's proportionate share of the collective 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, 2023

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, 2022.

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	\$ 2,732,394	\$ 972,988	\$ 41,476	\$ 997,682
Education	2,441,048	990,832	102,699	953,087
MERS	<u>1,721,633</u>	<u>1,074,905</u>	<u>125,845</u>	<u>406,383</u>
Total	<u>\$ 6,895,075</u>	<u>\$ 3,038,725</u>	<u>\$ 270,020</u>	<u>\$ 2,357,152</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

The following employees are covered by the benefit terms:

	<u>July 1, 2021</u>
Active members	256
Retirees and beneficiaries receiving benefits	<u>16</u>
Total	<u><u>272</u></u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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	\$ 131,293
Percentage of covered payroll	0.61%

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.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The following is the Town's adopted asset allocation policy for the OPEB plan:

Asset Class	Index	Target Allocation	Long-term Expected Real Rate of Return
U.S. equity market	Russell 3000	30.00%	4.10%
Non-U.S. equity	MSCI ACWI Ex USA NR	25.00%	6.06%
U.S. core fixed income	Barclays Aggregate	40.00%	1.84%
U.S. REITs	FTSE Nareit All Equity REITs	5.00%	4.11%
Total/weighted average		<u>100.00%</u>	4.29%
Assumed inflation - mean			<u>2.70%</u>
Portfolio nominal mean return			<u>6.99%</u>
Long-term expected rate of return			<u>6.25%</u>

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 summarized above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 7.77%.

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

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

5. Net OPEB liability

The components of the net OPEB liability were measured as of June 30, 2023 and were as follows:

Total OPEB liability	\$ 4,394,503
Plan fiduciary net position	<u>3,717,744</u>
Net OPEB liability	<u>\$ 676,759</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>84.60%</u>

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-2019 ultimate scale
Police	PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale

7. Changes from prior year

a. Changes in assumptions

	From	To
Education non-certified	PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale	PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale
Police	PubG-2010 Mortality Table with generational projection per the MP-2014 ultimate scale	PubG-2010 Mortality Table with generational projection per the MP-2019 ultimate scale

b. Changes in benefit terms

There were no changes in benefit terms.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

9. Changes in the net OPEB liability

The Town’s OPEB liability was measured at June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date mentioned below.

Valuation date: July 1, 2021	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$4,299,955	\$ 3,731,709	\$ 568,246
Service cost	94,171	-	94,171
Interest	261,328	-	261,328
Changes in assumptions	171,345	-	171,345
Contributions - employer	-	131,293	(131,293)
Net investment income (loss)	-	292,463	(292,463)
Benefit payments, including refunds of member contributions	(432,296)	(432,296)	-
Administration	-	(5,425)	5,425
Net change	94,548	(13,965)	108,513
Balance at June 30, 2023	<u>\$4,394,503</u>	<u>\$ 3,717,744</u>	<u>\$ 676,759</u>

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:

OPEB Liability	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town OPEB Plan	<u>6.25%</u>	<u>\$ 1,075,574</u>	<u>\$ 676,759</u>	<u>\$ 320,603</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

<u>OPEB Liability</u>	<u>Current Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town OPEB Plan	5.20% decreasing to 4.20%	<u>\$ 162,552</u>	<u>\$ 676,759</u>	<u>\$ 1,275,179</u>

12. OPEB expense and deferred outflows and inflows of resources related to OPEB

The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB 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>
Differences between expected and actual experience	\$ -	\$ 2,027,225	\$ (2,027,225)
Changes in assumptions	238,266	286,730	(48,464)
Net difference between projected and actual earnings on pension plan investments	<u>228,541</u>	<u>-</u>	<u>228,541</u>
Total	<u>\$ 466,807</u>	<u>\$ 2,313,955</u>	<u>\$ (1,847,148)</u>
The town recognized OPEB expense of:			<u>\$ (361,843)</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 8.9 years.

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

<u>Year Ending June 30</u>	
2024	\$ (503,162)
2025	(521,840)
2026	(193,482)
2027	(243,249)
2028	(101,932)
Thereafter	<u>(283,483)</u>
Total	<u>\$ (1,847,148)</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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.

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 \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost.

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

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.

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 collective net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The amounts recognized by the Town as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the town	<u>7,932,358</u>
Total	<u>\$ 7,932,358</u>
The Town recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 101,005</u>

The collective net OPEB liability was measured as of June 30, 2022, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net OPEB liability.

5. Actuarial assumptions

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

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
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	2027

The actuarial assumptions used in the June 30, 2022 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 increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Town of New Fairfield, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****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 geometric rate of return is 1.50%. 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, 2022.

6. Discount rate

The discount rate used to measure the collective total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% 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 collective net OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the collective 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, 2022.

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Pension and other post-employment benefit plan statements

Pension and OPEB Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2023

	Town Pension Trust Fund	Education Pension Trust Fund	OPEB Trust Fund	Total
<u>Assets</u>				
Investments:				
Mutual funds:				
Money market	\$ 49,975	\$ 98,624	\$ 8,041	\$ 156,640
Equity	6,977,264	5,068,210	2,334,472	14,379,946
U.S. government obligations	4,301,728	5,349,272	1,375,231	11,026,231
Bond	5,191	6,441	-	11,632
	<u>11,334,158</u>	<u>10,522,547</u>	<u>3,717,744</u>	<u>25,574,449</u>
Total assets				
	<u>11,334,158</u>	<u>10,522,547</u>	<u>3,717,744</u>	<u>25,574,449</u>
<u>Net Position</u>				
Restricted for:				
Pensions	11,334,158	10,522,547	-	21,856,705
OPEB	-	-	3,717,744	3,717,744
	<u>-</u>	<u>-</u>	<u>3,717,744</u>	<u>3,717,744</u>
Total net position	<u>\$ 11,334,158</u>	<u>\$ 10,522,547</u>	<u>\$ 3,717,744</u>	<u>\$ 25,574,449</u>

Town of New Fairfield, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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, 2023

	Town Pension Trust Fund	Education Pension Trust Fund	OPEB Trust Fund	Total
Additions:				
Employer contributions	\$ 447,876	\$ 460,638	\$ 131,293	\$ 1,039,807
Investment income (loss):				
Net change in fair value of investments	677,393	395,929	201,949	1,275,271
Interest and dividends	266,370	268,823	106,749	641,942
Total investment income (loss)	943,763	664,752	308,698	1,917,213
Less investment expense	35,512	34,943	16,235	86,690
Net investment income (loss)	908,251	629,809	292,463	1,830,523
Total additions	1,356,127	1,090,447	423,756	2,870,330
Deductions:				
Benefits	460,404	328,231	432,296	1,220,931
Administration	21,052	25,771	5,425	52,248
Total deductions	481,456	354,002	437,721	1,273,179
Change in net position	874,671	736,445	(13,965)	1,597,151
Net position - July 1, 2022	10,459,487	9,786,102	3,731,709	23,977,298
Net position - June 30, 2023	\$11,334,158	\$10,522,547	\$ 3,717,744	\$ 25,574,449

VI. Fund reclassifications

The American Rescue Plan Act Fund was reclassified from a nonmajor capital projects fund to a major fund. This resulted in the beginning fund balance of the other governmental fund decreasing from \$10,462,942 to \$8,406,124.

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 Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<hr/>	
<u>Other Post-Employment Benefits Plans</u> Town Connecticut State Teachers' 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 Collective 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, 2023

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Revenues:					
Property taxes:					
Property taxes	\$ 54,260,949	\$ -	\$ 54,260,949	\$ 54,239,828	\$ (21,121)
Supplemental motor vehicle taxes	500,000	-	500,000	616,221	116,221
Telephone line access	20,000	-	20,000	21,614	1,614
Interest and lien fees	200,000	-	200,000	208,828	8,828
Total property taxes	54,980,949	-	54,980,949	55,086,491	105,542
Intergovernmental:					
Town aid	275,459	-	275,459	271,613	(3,846)
PILOT - State owned property	19,563	-	19,563	19,563	-
Veterans exemption	17,000	-	17,000	15,920	(1,080)
Local capital improvement program	78,632	-	78,632	74,613	(4,019)
Emergency management performance grant	7,285	-	7,285	-	(7,285)
Municipal revenue sharing	1,149	-	1,149	275,489	274,340
Elderly grant	-	-	-	1,694	1,694
Municipal stabilization grant	265,666	-	265,666	265,666	-
Education cost sharing	3,481,120	-	3,481,120	3,491,276	10,156
Special education	651,000	-	651,000	651,000	-
Total intergovernmental	4,796,874	-	4,796,874	5,066,834	269,960
Charges for services:					
Judicial	2,000	-	2,000	6,378	4,378
Health	50,000	-	50,000	38,500	(11,500)
Zoning board of appeals	13,000	-	13,000	7,224	(5,776)
Zoning	40,000	-	40,000	29,786	(10,214)
Building	200,000	-	200,000	320,074	120,074
Inland wetlands	9,000	-	9,000	5,727	(3,273)
Planning	-	-	-	200	200
Environmental enforcement	7,500	-	7,500	7,126	(374)
Public work fees	2,500	-	2,500	3,300	800
Fire Marshal fees	6,000	-	6,000	5,065	(935)
Other licenses and permits	13,000	-	13,000	14,080	1,080
Real estate conveyance	275,000	-	275,000	301,838	26,838
Town clerk receipts	100,000	-	100,000	84,167	(15,833)
Police private duty	21,328	30,000	51,328	61,411	10,083
EMS/ Paramedic billings	300,000	-	300,000	317,166	17,166
Student tuition	400,000	-	400,000	383,997	(16,003)
Senior center recreation fees	18,000	-	18,000	25,882	7,882
Town engineer	10,000	-	10,000	9,861	(139)
Total charges for services	1,467,328	30,000	1,497,328	1,621,782	124,454

(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, 2023

	<u>Original</u>	<u>Additional Appropriations and Transfers</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Income from investments	\$ 250,000	\$ 650,000	\$ 900,000	\$ 1,378,985	\$ 478,985
Other revenues	7,000	1,675	8,675	24,641	15,966
Total revenues	<u>61,502,151</u>	<u>681,675</u>	<u>62,183,826</u>	<u>63,178,733</u>	<u>994,907</u>
Other financing sources:					
Appropriation of fund balance	-	1,164,164	1,164,164	-	(1,164,164)
Cancellation of prior year encumbrances	-	-	-	25,384	25,384
Sale of capital assets	-	-	-	4,000	4,000
Total other financing sources	<u>-</u>	<u>1,164,164</u>	<u>1,164,164</u>	<u>29,384</u>	<u>(1,134,780)</u>
Total revenues and other financing sources	<u>\$ 61,502,151</u>	<u>\$ 1,845,839</u>	<u>\$ 63,347,990</u>	<u>\$ 63,208,117</u>	<u>\$ (139,873)</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, 2023

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
General government:					
Board of selectmen	\$ 205,717	\$ (3,500)	\$ 202,217	\$ 199,782	\$ 2,435
Town clerk	188,119	755	188,874	188,813	61
Probate	9,647	-	9,647	9,646	1
Registrar of voters	77,121	5,800	82,921	82,912	9
Finance	312,829	(12,000)	300,829	299,792	1,037
Board of finance	84,353	(5,800)	78,553	75,487	3,066
Treasurer	8,333	1	8,334	8,333	1
Assessor	184,422	-	184,422	182,446	1,976
Tax collector	212,727	8,652	221,379	221,316	63
Board of assessment appeals	1,486	-	1,486	444	1,042
Unclassified payroll and benefits	1,297,572	(26,229)	1,271,343	1,264,505	6,838
Professional services	132,500	47,000	179,500	177,293	2,207
Intergovernmental agencies	268,557	-	268,557	264,793	3,764
General insurance	190,000	(16,600)	173,400	172,604	796
Business machines	364,847	(16,000)	348,847	337,895	10,952
Human resources	33,000	-	33,000	32,574	426
Planning commission	6,248	(3,500)	2,748	1,760	988
Zoning commission	85,513	(9,000)	76,513	72,469	4,044
Zoning board of appeals	12,032	-	12,032	11,562	470
Economic development	6,568	(1,100)	5,468	5,255	213
Utilities	426,059	26,200	452,259	449,186	3,073
Permanent building committee	4,024	(1,500)	2,524	1,689	835
General land use	16,667	(16,000)	667	466	201
Historical properties commission	250	-	250	-	250
Commission of the youth	1,000	-	1,000	-	1,000
Total general government	4,129,591	(22,821)	4,106,770	4,061,022	45,748
Public safety and protection:					
Police	2,575,075	(234,925)	2,340,150	2,327,117	13,033
Communications center	340,326	58,000	398,326	391,881	6,445
Fire companies	228,155	-	228,155	226,937	1,218
Ambulance/Paramedic/EMT	768,968	22,500	791,468	791,463	5
Fire marshal	79,619	(1,000)	78,619	78,399	220
Building inspector	156,642	421	157,063	157,059	4
Office of emergency management	74,561	(9,000)	65,561	64,555	1,006
Animal control	51,230	-	51,230	51,229	1
Total public safety and protection	4,274,576	(164,004)	4,110,572	4,088,640	21,932
Public works	2,378,452	(12,000)	2,366,452	2,362,902	3,550

(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, 2023

	Original	Additional Appropriations and Transfers	Final	Actual	Variance with Final Budget
Health and welfare:					
Health department	\$ 298,300	\$ -	\$ 298,300	\$ 297,336	\$ 964
Inland/wetlands	5,905	-	5,905	4,279	1,626
WPCA	1,528	-	1,528	736	792
Social services	102,701	(11,000)	91,701	90,673	1,028
Senior services	192,647	-	192,647	182,489	10,158
Ball pond advisory committee	9,093	-	9,093	7,490	1,603
Commission on aging	4,436	(1,500)	2,936	1,176	1,760
Total health and welfare	614,610	(12,500)	602,110	584,179	17,931
Culture and recreation:					
Recreation	77,525	-	77,525	76,470	1,055
Library	507,248	(16,000)	491,248	488,283	2,965
Total culture and recreation	584,773	(16,000)	568,773	564,753	4,020
Health insurance	5,679,693	1,762,114	7,441,807	7,441,807	-
Total Town expenditures	17,661,695	1,534,789	19,196,484	19,103,303	93,181
Education	38,090,581	-	38,090,581	38,076,951	13,630
Debt service:					
Town	137,826	-	137,826	137,826	-
School	5,164,925	-	5,164,925	5,164,925	-
Total debt service	5,302,751	-	5,302,751	5,302,751	-
Total expenditures	61,055,027	1,534,789	62,589,816	62,483,005	106,811
Other financing uses:					
Transfers out:					
Education Capital Nonrecurring Fund	-	95,000	95,000	95,000	-
Capital Nonrecurring Fund	447,124	216,050	663,174	663,174	-
Total other financing uses	447,124	311,050	758,174	758,174	-
Total expenditures and other financing uses	\$ 61,502,151	\$ 1,845,839	\$ 63,347,990	\$ 63,241,179	\$ 106,811

(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, 2023

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	\$ 63,178,733	\$ 62,483,005
State teachers' pension on behalf amount	7,141,247	7,141,247
State teachers' OPEB on behalf amount	101,005	101,005
Prior year encumbrances liquidated in the current year	-	224,269
Current year encumbrances charged to budgetary expenditures	<u>-</u>	<u>(124,607)</u>
GAAP basis - Exhibit D	<u>\$ 70,420,985</u>	<u>\$ 69,824,919</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	\$ 681,675
Fund balance	<u>1,164,164</u>
Total	<u>\$ 1,845,839</u>

Town of New Fairfield, Connecticut

Required Supplementary Information

Town Retirement Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ 282,536	\$ 269,909	\$ 248,277	\$ 246,882	\$ 232,331	\$ 240,578	\$ 240,804	\$ 231,435	\$ 189,330	\$ 222,223
Interest	907,919	842,051	767,816	683,805	642,043	608,734	569,692	529,748	494,432	458,703
Differences between expected and actual experience	(13,524)	292,216	43,962	215,449	(62,415)	(159,690)	(54,626)	(9,127)	23,999	6,101
Changes in assumptions	(44,542)	-	380,501	358,813	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(460,404)	(422,162)	(304,573)	(220,278)	(195,781)	(180,253)	(174,327)	(186,010)	(168,423)	(159,368)
Net change in total pension liability	671,985	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	13,394,567	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>\$ 14,066,552</u>	<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	\$ 447,876	\$ 442,409	\$ 390,232	\$ 317,010	\$ 328,950	\$ 341,716	\$ 331,000	\$ 302,287	\$ 301,000	\$ 137,000
Net investment income (loss)	908,251	(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	(460,404)	(422,162)	(304,573)	(220,278)	(195,781)	(180,253)	(174,327)	(186,010)	(168,423)	(159,368)
Administration	(21,052)	(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	874,671	(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	10,459,487	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>\$ 11,334,158</u>	<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>\$ 2,732,394</u>	<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>80.58%</u>	<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>\$ 2,805,155</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>90.42%</u>	<u>104.63%</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>8.52%</u>	<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>

Town of New Fairfield, Connecticut

Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 447,876	\$ 442,409	\$ 390,232	\$ 317,010	\$ 328,950	\$ 341,716	\$ 330,339	\$ 302,287	\$ 301,363	\$ 279,785
Contributions in relation to the actuarially determined contribution	<u>447,876</u>	<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>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661</u>	<u>\$ -</u>	<u>\$ (363)</u>	<u>\$ (142,785)</u>
Covered payroll	<u>\$ 3,021,770</u>	<u>\$ 2,805,155</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>
Contributions as a percentage of covered payroll	<u>14.82%</u>	<u>15.77%</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>

Town of New Fairfield, Connecticut
Notes to Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2022	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	Entry age normal
Amortization method	Level percentage	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	5-year smoothing
Inflation rate	2.50%	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	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%	6.75%
Mortality rate	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	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

Town of New Fairfield, Connecticut

Required Supplementary Information

Education Retirement Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 323,424	\$ 330,431	\$ 305,874	\$ 282,374	\$ 248,907	\$ 266,475	\$ 260,859	\$ 253,449	\$ 254,108	\$ 248,397
Interest	767,497	729,820	663,921	575,690	549,885	502,912	456,879	428,185	393,187	357,339
Differences between expected and actual experience	139,298	(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	(56,552)	-	391,222	367,354	-	-	-	-	15,637	-
Benefit payments, including refunds of member contributions	(328,231)	(298,990)	(278,906)	(272,927)	(231,904)	(192,331)	(142,399)	(102,250)	(73,678)	(56,583)
Net change in total pension liability	845,436	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	12,118,159	11,493,917	10,454,203	9,063,068	8,663,442	7,874,816	7,119,330	6,646,781	5,915,523	5,496,886
Total pension liability - June 30 (a)	<u>\$ 12,963,595</u>	<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	\$ 460,638	\$ 480,963	\$ 407,582	\$ 312,538	\$ 328,751	\$ 311,460	\$ 282,644	\$ 294,000	\$ 320,000	\$ 320,280
Net investment income (loss)	629,809	(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	(328,231)	(298,990)	(278,906)	(272,927)	(231,904)	(192,331)	(142,399)	(102,250)	(73,678)	(56,583)
Administration	(25,771)	(34,764)	(22,243)	(31,386)	(30,354)	(30,011)	(28,456)	(29,541)	(23,274)	(30,885)
Net change in plan fiduciary net position	736,445	(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	9,786,102	11,212,237	9,257,703	8,820,189	8,269,323	7,772,446	7,031,805	6,826,614	6,487,562	5,522,912
Plan fiduciary net position - June 30 (b)	<u>\$ 10,522,547</u>	<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>\$ 2,441,048</u>	<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>81.17%</u>	<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>\$ 3,761,115</u>	<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>64.90%</u>	<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>6.26%</u>	<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>

See Notes to Required Supplementary Information.

Town of New Fairfield, Connecticut

Required Supplementary Information

Education Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 460,638	\$ 478,613	\$ 407,582	\$ 312,538	\$ 328,751	\$ 311,460	\$ 282,644	\$ 293,885	\$ 289,476	\$ 317,946
Contributions in relation to the actuarially determined contribution	<u>460,638</u>	<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>
Contribution excess (deficiency)	<u>\$ -</u>	<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>
Covered payroll	<u>\$ 3,761,115</u>	<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>
Contributions as a percentage of covered payroll	<u>12.25%</u>	<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>

Town of New Fairfield, Connecticut

Notes to Required Supplementary Information

Education Retirement Plan
Schedule of Contributions
Last Ten Years

2023 2022 2021 2020 2019 2018 2017 2016 2015 2014

Changes of benefit terms	None	None	The normal retirement benefit formula for the Building and Grounds Director increased to 3.00%.	None	None	None	None	None	None	None
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The actuarially determined contribution rates are calculated as of	July 1, 2022	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
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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	Entry age normal
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Amortization method	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage	Level percentage
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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	5-year smoothing
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Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
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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	Varies by age
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Investment rate of return (net)	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
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Mortality rate	PubG-2010 General Mortality Tables with generational projection per MP-2021 ultimate scale	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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Town of New Fairfield, Connecticut

Required Supplementary Information

Connecticut Municipal Employees' Retirement System

Last Nine Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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Schedule of Proportionate Share of the Collective Net Pension Liability

Town's proportion of the collective net pension liability for the police and fire with social security sub plan

	<u>1.654917%</u>	<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>
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Town's proportionate share of the collective net pension (asset) liability

	<u>\$1,721,633</u>	<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>
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Town's covered payroll

	<u>\$ 863,490</u>	<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>
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Town's proportionate share of the collective net pension (asset) liability as a percentage of its covered payroll

	<u>199.38%</u>	<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>
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Total plan fiduciary net position as a percentage of the collective total pension liability

	<u>68.71%</u>	<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>
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Schedule of Contributions

Contractually required contribution

	<u>\$ 186,049</u>	<u>\$ 151,557</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>
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Contributions in relation to the contractually required contribution

	<u>186,049</u>	<u>151,557</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>
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Contribution deficiency (excess)

	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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Town's covered payroll

	<u>\$ 805,058</u>	<u>\$ 675,087</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>
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Contributions as a percentage of covered payroll

	<u>23.11%</u>	<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>
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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.

See Notes to Required Supplementary Information.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	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	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	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	Level dollar, closed
Remaining amortization period	18 years	19 years	20 years	21 years	23 years	23 years	25 years	25 years	27 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	5 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	3.25%	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	4.50%-11.25%, 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	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%	3.50%
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Mortality rate	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	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	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	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	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	RP-2000 Combined Mortality Table set forward one year for males and set back one year for females
	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	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	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	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					

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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 Nine Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
Town's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<u>90,575,744</u>	<u>73,399,301</u>	<u>92,674,894</u>	<u>82,278,348</u>	<u>63,441,386</u>	<u>65,802,792</u>	<u>69,422,450</u>	<u>52,643,952</u>	<u>48,658,784</u>
Total	<u>\$ 90,575,744</u>	<u>\$ 73,399,301</u>	<u>\$ 92,674,894</u>	<u>\$ 82,278,348</u>	<u>\$ 63,441,386</u>	<u>\$ 65,802,792</u>	<u>\$ 69,422,450</u>	<u>\$ 52,643,952</u>	<u>\$ 48,658,784</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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>	<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>	<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 collective 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 Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	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	June 30, 2012
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	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	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	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	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	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	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	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	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	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 Seven Years (1)

	<u>2023</u>	<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	\$ 94,171	\$ 116,263	\$ 124,022	\$ 133,859	\$ 128,672	\$ 120,401	\$ 156,832
Interest	261,328	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	171,345	(85,831)	-	(448,327)	-	310,963	-
Benefit payments, including refunds of member contributions	<u>(432,296)</u>	<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	94,548	(1,087,938)	133,156	(1,035,279)	215,580	(2,065,970)	416,899
Total OPEB liability - July 1	<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>	<u>7,723,507</u>
Total OPEB liability - June 30 (a)	<u>\$ 4,394,503</u>	<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	\$ 131,293	\$ 349,839	\$ 317,273	\$ 364,224	\$ 339,921	\$ 569,331	\$ 569,816
Net investment income (loss)	292,463	(579,606)	830,956	125,739	189,859	170,077	243,849
Benefit payments, including refunds of member contributions	(432,296)	(349,839)	(317,273)	(332,244)	(306,490)	(312,296)	(281,859)
Administration	<u>(5,425)</u>	<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	(13,965)	(597,081)	825,906	135,111	203,293	423,112	516,199
Plan fiduciary net position - July 1	<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>	<u>2,225,169</u>
Plan fiduciary net position - June 30 (b)	<u>\$ 3,717,744</u>	<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>\$ 676,759</u>	<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>84.60%</u>	<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>\$ 21,465,407</u>	<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>3.15%</u>	<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>7.77%</u>	<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) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 131,293	\$ 300,623	\$ 266,503	\$ 338,986	\$ 339,921	\$ 540,373	\$ 508,352	\$ 571,103	\$ 546,315	\$614,000
Contributions in relation to the actuarially determined contribution	<u>131,293</u>	<u>349,839</u>	<u>317,273</u>	<u>364,224</u>	<u>339,921</u>	<u>569,331</u>	<u>569,816</u>	<u>571,386</u>	<u>577,602</u>	<u>741,000</u>
Contribution excess (deficiency)	<u>\$ -</u>	<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>
Covered payroll	<u>\$21,465,407</u>	<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>
Contributions as a percentage of covered payroll	<u>0.61%</u>	<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>

N/A - Not available

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	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	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	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	5-year smoothing
Inflation rate	2.70%	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	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%	6.25%	6.50%	6.50%	7.00%	7.00%	7.00%	7.00%
Mortality rate	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 the MP-2019 ultimate scale	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 the MP-2019 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	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

Town of New Fairfield, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>						
Town's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>7,932,358</u>	<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>
Total	<u>\$ 7,932,358</u>	<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>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>						
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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>	<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>	<u>0.00%</u>

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

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

(3) These schedules are 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

Notes to Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	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	Entry age
Amortization method	Level percentage, open	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	30 years
Asset valuation method	Fair Value	Fair Value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2023	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	3.00% 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%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	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

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(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, 2023

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Grand List Year	Uncollected Taxes July 1, 2022	Current Levy	Lawful Corrections		Transfers to Suspense	Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Taxes	Interest and Liens	Total	
2006	\$ 4,159	\$ -	\$ -	\$ 4,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007	5,209	-	-	-	-	5,209	-	-	-	5,209
2008	4,337	-	-	-	-	4,337	-	-	-	4,337
2009	3,862	-	-	-	-	3,862	-	-	-	3,862
2010	3,974	-	-	-	-	3,974	-	-	-	3,974
2011	4,091	-	-	-	-	4,091	-	-	-	4,091
2012	4,433	-	-	-	-	4,433	-	-	-	4,433
2013	4,577	-	-	-	-	4,577	-	-	-	4,577
2014	4,842	-	-	-	-	4,842	-	-	-	4,842
2015	7,131	-	-	-	-	7,131	-	-	-	7,131
2016	7,285	-	-	-	-	7,285	-	-	-	7,285
2017	10,323	-	39	-	803	9,559	210	179	389	9,349
2018	15,301	-	52	-	1,807	13,546	1,701	403	2,104	11,845
2019	46,985	-	2,405	1,706	3,154	44,530	24,590	7,158	31,748	19,940
2020	<u>223,973</u>	<u>-</u>	<u>8,098</u>	<u>12,123</u>	<u>7,107</u>	<u>212,841</u>	<u>142,812</u>	<u>-</u>	<u>142,812</u>	<u>70,029</u>
Subtotal	350,482	-	10,594	17,988	12,871	330,217	169,313	7,740	177,053	160,904
2021	<u>-</u>	<u>55,095,366</u>	<u>71,825</u>	<u>184,020</u>	<u>22,410</u>	<u>54,960,761</u>	<u>54,631,441</u>	<u>141,769</u>	<u>54,773,210</u>	<u>329,320</u>
Totals	<u>\$ 350,482</u>	<u>\$ 55,095,366</u>	<u>\$ 82,419</u>	<u>\$ 202,008</u>	<u>\$ 35,281</u>	<u>\$ 55,290,978</u>	<u>\$ 54,800,754</u>	<u>\$ 149,509</u>	<u>\$ 54,950,263</u>	490,224
								Interest and liens receivable		191,817
								Allowance for doubtful accounts		(110,000)
								Taxes, interest and liens receivable (net)		<u>\$ 572,041</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 Projects Fund	Bonds and grants	School improvements
Town Center Beautification Fund	Grants	Town Center Beautification projects
Town Capital Projects Fund	Grants	Town improvements

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, 2023

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	\$ 650,531	\$ 217,953	\$ 484,965	\$ 31,356	\$ 274,483	\$ 29,685	\$ 18,731	\$ 63,114
Investments	-	-	82,103	-	-	-	61,781	-
Receivables (net):								
Intergovernmental	211,619	70,252	-	-	-	-	-	-
Loans	-	-	-	-	1,251,143	-	-	-
Other	-	14,525	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other	13,574	-	-	-	-	-	-	-
Total assets	\$ 875,724	\$ 302,730	\$ 567,068	\$ 31,356	\$ 1,525,626	\$ 29,685	\$ 80,512	\$ 63,114
<u>Liabilities</u>								
Accounts payable	\$ 55,169	\$ 116	\$ -	\$ -	\$ 4,595	\$ 6,001	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	200	-	-
Due to other funds	-	221,235	-	-	1,452	-	-	-
Unearned revenue	22,660	24,027	-	-	-	-	-	-
Total liabilities	77,829	245,378	-	-	6,047	6,201	-	-
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	797,895	-	1,823	31,356	1,519,579	-	-	63,114
Committed	-	57,352	565,245	-	-	23,484	80,512	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	797,895	57,352	567,068	31,356	1,519,579	23,484	80,512	63,114
Total liabilities and fund balances	\$ 875,724	\$ 302,730	\$ 567,068	\$ 31,356	\$ 1,525,626	\$ 29,685	\$ 80,512	\$ 63,114

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(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

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	\$ 6,557	\$ 22,879	\$ 28,308	\$ 8,295	\$ 74,788	\$ 10,287	\$ 511,193
Investments	-	-	-	-	-	-	-
Receivables (net):							
Intergovernmental	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	4,948	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 6,557</u>	<u>\$ 22,879</u>	<u>\$ 28,308</u>	<u>\$ 8,295</u>	<u>\$ 79,736</u>	<u>\$ 10,287</u>	<u>\$ 511,193</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,723
Accrued payroll and related liabilities	-	-	-	-	-	-	23,933
Due to other funds	-	4,948	-	-	-	-	96,091
Unearned revenue	-	167	-	-	18,227	-	156,269
Total liabilities	<u>-</u>	<u>5,115</u>	<u>-</u>	<u>-</u>	<u>18,227</u>	<u>-</u>	<u>295,016</u>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	17,764	28,308	8,295	-	-	-
Committed	6,557	-	-	-	61,509	10,287	216,177
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>6,557</u>	<u>17,764</u>	<u>28,308</u>	<u>8,295</u>	<u>61,509</u>	<u>10,287</u>	<u>216,177</u>
Total liabilities and fund balances	<u>\$ 6,557</u>	<u>\$ 22,879</u>	<u>\$ 28,308</u>	<u>\$ 8,295</u>	<u>\$ 79,736</u>	<u>\$ 10,287</u>	<u>\$ 511,193</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds	
	Education User Surcharges Fund	Hidden Valley Fund	Drop Off Center Fund	Total	Debt Service Fund	Fire Company Reserve Fund	Education Capital Nonrecurring Fund
<u>Assets</u>							
Cash	\$ 618,913	\$ 17,784	\$ 275,170	\$ 3,344,992	\$ 1,042,956	\$ -	\$ 447,089
Investments	-	-	-	143,884	2,000,000	521,580	-
Receivables (net):							
Intergovernmental	-	-	-	281,871	-	-	-
Loans	-	-	-	1,251,143	-	-	-
Other	10,473	-	1,078	26,076	-	2,419	-
Due from other funds	17,973	-	-	22,921	-	-	-
Other	-	-	-	13,574	-	-	-
Total assets	\$ 647,359	\$ 17,784	\$ 276,248	\$ 5,084,461	\$ 3,042,956	\$ 523,999	\$ 447,089
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ 9,014	\$ 93,618	\$ -	\$ -	\$ 3,000
Accrued payroll and related liabilities	-	-	519	24,652	-	-	-
Due to other funds	-	-	324,552	648,278	-	-	-
Unearned revenue	-	-	-	221,350	-	-	-
Total liabilities	-	-	334,085	987,898	-	-	3,000
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	2,468,134	-	-	-
Committed	647,359	17,784	-	1,686,266	-	523,999	444,089
Assigned	-	-	-	-	3,042,956	-	-
Unassigned	-	-	(57,837)	(57,837)	-	-	-
Total fund balances	647,359	17,784	(57,837)	4,096,563	3,042,956	523,999	444,089
Total liabilities and fund balances	\$ 647,359	\$ 17,784	\$ 276,248	\$ 5,084,461	\$ 3,042,956	\$ 523,999	\$ 447,089

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	Capital Projects Funds				Permanent Fund	Total Other Governmental Funds
	School Projects Fund	Town Center Beautification Fund	Town Capital Projects Fund	Total	Library Fund	
<u>Assets</u>						
Cash	\$ 19,907	\$ 33,947	\$ -	\$ 500,943	\$ 13,475	\$ 4,902,366
Investments	-	-	-	521,580	-	2,665,464
Receivables (net):						
Intergovernmental	-	-	154,491	154,491	-	436,362
Loans	-	-	-	-	-	1,251,143
Other	-	-	-	2,419	-	28,495
Due from other funds	-	-	-	-	-	22,921
Other	-	-	-	-	-	13,574
Total assets	\$ 19,907	\$ 33,947	\$154,491	\$1,179,433	\$ 13,475	\$ 9,320,325
<u>Liabilities</u>						
Accounts payable	\$ -	\$ -	\$ 10,000	\$ 13,000	\$ -	\$ 106,618
Accrued payroll and related liabilities	-	-	-	-	-	24,652
Due to other funds	273,718	-	144,491	418,209	-	1,066,487
Unearned revenue	-	29,858	-	29,858	-	251,208
Total liabilities	273,718	29,858	154,491	461,067	-	1,448,965
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	482	482
Restricted	-	-	-	-	12,993	2,481,127
Committed	-	4,089	-	972,177	-	2,658,443
Assigned	-	-	-	-	-	3,042,956
Unassigned	(253,811)	-	-	(253,811)	-	(311,648)
Total fund balances	(253,811)	4,089	-	718,366	13,475	7,871,360
Total liabilities and fund balances	\$ 19,907	\$ 33,947	\$154,491	\$1,179,433	\$ 13,475	\$ 9,320,325

(Concluded)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	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	\$ 937,956	\$2,122,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	358,340	178,022	511,170	-	-	3,525	15,424	-
Contributions	-	1,772	-	28,529	-	-	-	25,332
Income from investments	-	-	312	-	609	-	383	-
Total revenues	<u>1,296,296</u>	<u>2,302,111</u>	<u>511,482</u>	<u>28,529</u>	<u>609</u>	<u>3,525</u>	<u>15,807</u>	<u>25,332</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	7,486	-	-
Health and welfare	-	-	-	-	15,606	-	-	21,084
Culture and recreation	-	-	-	-	-	-	17,290	-
Education	1,009,301	2,360,616	554,474	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,009,301</u>	<u>2,360,616</u>	<u>554,474</u>	<u>-</u>	<u>15,606</u>	<u>7,486</u>	<u>17,290</u>	<u>21,084</u>
Excess (deficiency) of revenues over expenditures	<u>286,995</u>	<u>(58,505)</u>	<u>(42,992)</u>	<u>28,529</u>	<u>(14,997)</u>	<u>(3,961)</u>	<u>(1,483)</u>	<u>4,248</u>
Other financing sources (uses):								
Issuance of debt	-	-	-	-	-	-	-	-
Premium	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
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	286,995	(58,505)	(42,992)	28,529	(14,997)	(3,961)	(1,483)	4,248
Fund balances - July 1, 2022 (as restated)	<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>
Fund balances - June 30, 2023	<u>\$ 797,895</u>	<u>\$ 57,352</u>	<u>\$567,068</u>	<u>\$ 31,356</u>	<u>\$1,519,579</u>	<u>\$ 23,484</u>	<u>\$80,512</u>	<u>\$63,114</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

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	\$ -	\$ 9,963	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	5,990	6,420	-	-	48,563	-	522,794
Contributions	-	-	-	-	12,304	-	1,400
Income from investments	-	-	43	-	-	-	-
Total revenues	<u>5,990</u>	<u>16,383</u>	<u>43</u>	<u>-</u>	<u>60,867</u>	<u>-</u>	<u>524,194</u>
Expenditures:							
Current:							
General government	-	12,418	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	51,071	-	-
Culture and recreation	3,070	-	-	-	-	-	477,233
Education	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>3,070</u>	<u>12,418</u>	<u>-</u>	<u>-</u>	<u>51,071</u>	<u>-</u>	<u>477,233</u>
Excess (deficiency) of revenues over expenditures	<u>2,920</u>	<u>3,965</u>	<u>43</u>	<u>-</u>	<u>9,796</u>	<u>-</u>	<u>46,961</u>
Other financing sources (uses):							
Issuance of debt	-	-	-	-	-	-	-
Premium	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,920	3,965	43	-	9,796	-	46,961
Fund balances - July 1, 2022 (as restated)	<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>
Fund balances - June 30, 2023	<u>\$ 6,557</u>	<u>\$ 17,764</u>	<u>\$ 28,308</u>	<u>\$ 8,295</u>	<u>\$ 61,509</u>	<u>\$ 10,287</u>	<u>\$ 216,177</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds			Total	Debt Service Fund	Capital Projects Funds	
	Education User Surcharges Fund	Hidden Valley Fund	Drop Off Center Fund		Debt Service Fund	Fire Company Reserve Fund	Education Capital Nonrecurring Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ 3,070,236	\$ -	\$ -	\$ -
Charges for services	191,311	-	205,994	2,047,553	-	-	-
Contributions	-	-	-	69,337	-	-	-
Income from investments	-	-	-	1,347	-	26,954	-
Total revenues	<u>191,311</u>	<u>-</u>	<u>205,994</u>	<u>5,188,473</u>	<u>-</u>	<u>26,954</u>	<u>-</u>
Expenditures:							
Current:							
General government	-	-	200,013	212,431	-	-	-
Public safety	-	-	-	7,486	-	-	-
Health and welfare	-	-	-	87,761	-	-	-
Culture and recreation	-	-	-	497,593	-	-	-
Education	133,008	-	-	4,057,399	-	-	-
Debt service	-	-	-	-	1,603,886	-	-
Capital outlay	-	-	-	-	545,173	275,641	120,792
Total expenditures	<u>133,008</u>	<u>-</u>	<u>200,013</u>	<u>4,862,670</u>	<u>2,149,059</u>	<u>275,641</u>	<u>120,792</u>
Excess (deficiency) of revenues over expenditures	<u>58,303</u>	<u>-</u>	<u>5,981</u>	<u>325,803</u>	<u>(2,149,059)</u>	<u>(248,687)</u>	<u>(120,792)</u>
Other financing sources (uses):							
Issuance of debt	-	-	-	-	545,173	-	-
Premium	-	-	-	-	806,714	-	-
Transfers in	-	-	-	-	-	116,439	188,885
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,351,887</u>	<u>116,439</u>	<u>188,885</u>
Net change in fund balances	58,303	-	5,981	325,803	(797,172)	(132,248)	68,093
Fund balances - July 1, 2022 (as restated)	<u>589,056</u>	<u>17,784</u>	<u>(63,818)</u>	<u>3,770,760</u>	<u>3,840,128</u>	<u>656,247</u>	<u>375,996</u>
Fund balances - June 30, 2023	<u>\$ 647,359</u>	<u>\$ 17,784</u>	<u>\$ (57,837)</u>	<u>\$ 4,096,563</u>	<u>\$ 3,042,956</u>	<u>\$ 523,999</u>	<u>\$ 444,089</u>

(Continued)

Town of New Fairfield, Connecticut

Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Capital Projects Funds				Permanent Fund	Total Other Governmental Funds
	School Projects Fund	Town Center Beautification Fund	Town Capital Projects Fund	Total	Library Fund	
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 154,491	\$ 154,491	\$ 660	\$ 3,225,387
Charges for services	-	-	-	-	-	2,047,553
Contributions	-	-	-	-	2,095	71,432
Income from investments	-	-	-	26,954	4	28,305
Total revenues	-	-	154,491	181,445	2,759	5,372,677
Expenditures:						
Current:						
General government	-	-	-	-	-	212,431
Public safety	-	-	-	-	-	7,486
Health and welfare	-	-	-	-	-	87,761
Culture and recreation	-	-	-	-	1,999	499,592
Education	-	-	-	-	-	4,057,399
Debt service	-	-	-	-	-	1,603,886
Capital outlay	-	-	154,491	550,924	-	1,096,097
Total expenditures	-	-	154,491	550,924	1,999	7,564,652
Excess (deficiency) of revenues over expenditures	-	-	-	(369,479)	760	(2,191,975)
Other financing sources (uses):						
Issuance of debt	-	-	-	-	-	545,173
Premium	-	-	-	-	-	806,714
Transfers in	-	-	-	305,324	-	305,324
Net other financing sources (uses)	-	-	-	305,324	-	1,657,211
Net change in fund balances	-	-	-	(64,155)	760	(534,764)
Fund balances - July 1, 2022 (as restated)	(253,811)	4,089	-	782,521	12,715	8,406,124
Fund balances - June 30, 2023	\$ (253,811)	\$ 4,089	\$ -	\$ 718,366	\$ 13,475	\$ 7,871,360

(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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Property taxes	\$ 55,086,491	\$ 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
Intergovernmental	5,066,834	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
Charges for services	1,621,782	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
Income from investments	1,378,985	54,966	109,177	391,860	455,447	310,890	215,853	185,908	177,382	166,778
Other	24,641	21,008	65,212	21,912	94,851	106,581	1,102,680	1,142,991	1,123,834	300,975
Total revenues	63,178,733	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
Expenditures:										
Current:										
General government	4,061,022	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
Public safety	4,088,640	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
Public works	2,362,902	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
Health and welfare	584,179	564,925	544,133	546,774	528,441	485,938	484,576	483,457	464,962	449,330
Culture and recreation	564,753	553,244	550,399	567,162	540,056	608,424	1,069,129	1,150,447	1,341,253	523,029
Health insurance	7,441,807	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
Education	38,076,951	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
Debt service	5,302,751	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
Capital outlay	-	-	-	-	-	-	589,748	40,000	-	979,196
Total expenditures	62,483,005	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
Excess (deficiency) of revenues over expenditures	695,728	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
Other financing sources (uses):										
Premium	-	-	-	-	-	-	711,786	129,219	-	-
Sale of capital assets	4,000	-	150,850	-	8,550	-	-	2,000	-	-
Cancellation of prior year encumbrances	25,384	328,882	64,571	75,568	-	-	-	-	-	-
Transfers in	-	-	50,000	35,275	-	-	-	-	-	-
Transfers out	(758,174)	(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)
Net other financing sources (uses)	(728,790)	(850,634)	(1,427,020)	(1,317,601)	(1,194,650)	(3,035,808)	(99,067)	(982,674)	(1,337,487)	(684,626)
Net change in fund balance	\$ (33,062)	\$ 440,548	\$ 195,823	\$ 993,021	\$ 2,444,856	\$ 184,702	\$ 1,074,000	\$ (125,041)	\$ 21,089	\$ (13,824)
Debt service as a percentage of expenditures	8.49%	6.70%	4.76%	4.27%	4.05%	4.08%	4.65%	5.34%	5.15%	6.04%

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>
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%
2023	2021	32.47	54,960,761	54,631,441	99.40%

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, 2023
(Unaudited)

Base:

Total tax collections (including interest and lien fees) for prior year \$ 52,284,439

Debt limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$ 117,639,988	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	235,279,976	-	-	-
3 3/4 times base	-	-	196,066,646	-	-
3 1/4 times base	-	-	-	169,924,427	-
3 times base	-	-	-	-	156,853,317
Total debt limitation	117,639,988	235,279,976	196,066,646	169,924,427	156,853,317
Indebtedness:					
Bonds payable	1,144,000	84,746,000	-	-	-
Debt limitation in excess of outstanding debt	<u>\$ 116,495,988</u>	<u>\$ 150,533,976</u>	<u>\$ 196,066,646</u>	<u>\$ 169,924,427</u>	<u>\$ 156,853,317</u>

The total of the above net indebtedness amounts to: \$ 85,890,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 365,991,073

There is no overlapping debt for the Town.

Source: Current and prior year financial statements.

**Federal Single Audit
and
State Single Audit
of the
Town of New Fairfield, Connecticut
For the Year Ended June 30, 2023**

Town of New Fairfield, Connecticut

For the Year Ended June 30, 2023

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 16, 2024

**Federal
Single
Audit**



**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of New Fairfield, Connecticut's ("Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2023. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated February 16, 2024, which contained unmodified opinions on those financial statements.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 16, 2024

Town of New Fairfield, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Awarding Agency/Program or Cluster Title	Federal AL Number	Name of Funder Pass Through Entity	Identifying Number Assigned by Funder Pass Through Entity	Provided to Subrecipients	Total Expenditures
<u>U.S. Department of Agriculture:</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	State Department of Education	12060-SDE64370-20508	\$ -	\$ 43,025
National School Lunch Program - Cash	10.555	State Department of Education	12060-SDE64370-20560	-	270,641
National School Lunch Program - Commodities	10.555	State Department of Administrative Services	N/A	-	<u>42,277</u>
Total Child Nutrition Cluster					\$ 355,943
COVID-19 State Administrative Expenses for Child Nutrition	10.560	State Department of Education	12060-SDE64370-23126	-	52,140
COVID-19 Pandemic EBT Administrative Costs	10.649	State Department of Education	12060-SDE64370-29802	-	<u>1,884</u>
Total U.S. Department of Agriculture					<u>409,967</u>
<u>U.S. Department of Transportation</u>					
Highway Planning and Construction	20.205	State Department of Transportation	12062-DOT57171-22108	-	<u>1,588</u>
<u>U.S. Department of the Treasury</u>					
Coronavirus State and Local Fiscal Recovery Funds		Direct Program	N/A	-	865,759
Coronavirus State and Local Fiscal Recovery Funds - Free Meals for Students		State Department of Education	12060-SDE64370-28105	-	<u>483,360</u>
Total U.S. Department of Treasury	21.027				<u>1,349,119</u>
<u>U.S. Department of Education:</u>					
Title I - Grants to Local Educational Agencies	84.010	State Department of Education	12060-SDE64370-20679-2023	-	384,965
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B) - Paraeducator Professional Development Activities		State Department of Education	12060-SDE64370-20977-2021	-	3,375
Special Education - Grants to States (IDEA, Part B) - Special Education Activities		State Department of Education	12060-SDE64370-20977-2021	-	15,000
Special Education - Grants to States (IDEA, Part B) - CT SEDS Implementation Stipend		State Department of Education	12060-SDE64370-20977-2022	-	393,091
COVID-19 American Rescue Plan - Special Education - Grants to States (IDEA, Part B)		State Department of Education	12060-SDE64370-20977-2023	-	15,000
		State Department of Education	12060-SDE64370-23083-2022	-	<u>19,364</u>
Total Special Education - Grants to States (IDEA, Part B)	84.027				445,830
Special Education - Preschool Grants (IDEA Preschool)	84.173	State Department of Education	12060-SDE64370-20983-2023	-	<u>12,785</u>
Total Special Education Cluster (IDEA)					458,615
Career and Technical Education - Basic Grants to States	84.048	State Department of Education	12060-SDE64370-20742-2023	-	25,127
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2022	-	19,449
Supporting Effective Instruction State Grants		State Department of Education	12060-SDE64370-20858-2023	-	<u>57,669</u>
Total Supporting Effective Instruction State Grants	84.367				77,118

(Continued)

See Notes to Schedule of Expenditures of Federal Awards.

Town of New Fairfield, Connecticut
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<u>Federal Awarding Agency/Program or Cluster Title</u>	<u>Federal AL Number</u>	<u>Name of Funder Pass Through Entity</u>	<u>Identifying Number Assigned by Funder Pass Through Entity</u>	<u>Provided to Subrecipients</u>	<u>Total Expenditures</u>
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2022	\$ -	\$ 18,779
Student Support and Academic Enrichment Program (Title IV)		State Department of Education	12060-SDE64370-22854-2023	-	<u>389</u>
Total Student Support and Academic Enrichment Program (Title IV)	84.424				\$ 19,168
English Language Acquisition State Grants (Title III, Part A)		EdAdvance	12060-SDE64370-20868	-	145
English Language Acquisition State Grants (Title III, Part A)		State Department of Education	12060-SDE64370-20868	-	<u>11,249</u>
Total English Language Acquisition State Grants (Title III, Part A)	84.365				11,394
Education Stabilization Fund (ESF):					
Elementary and Secondary School Emergency Relief Fund	D	State Department of Education	12060-SDE64370-29571-2021	-	287,072
Elementary and Secondary School Emergency Relief Fund - ESSER II Special Education Recovery Activities Grant	D	State Department of Education	12060-SDE64370-29571-2021	-	17,195
Elementary and Secondary School Emergency Relief Fund - ESSER II Bonus Special Populations \$25K Recovery Grant	D	State Department of Education	12060-SDE64370-29571-2021	-	25,000
Elementary and Secondary School Emergency Relief Fund - ESSER II Bonus Dyslexia Recovery Grant	D	State Department of Education	12060-SDE64370-29571-2021	-	23,400
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	U	State Department of Education	12060-SDE64370-29636-2021	-	<u>630,217</u>
Total Education Stabilization Fund (ESF)	84.425				<u>982,884</u>
Total U.S. Department of Education					<u>1,959,271</u>
<u>U.S. Election Assistance Commission</u>					
Help America Vote Act Requirements Payments	90.401	Secretary of the State	12060-SOS12500-21465	<u>-</u>	<u>4,463</u>
Total Federal Awards				<u>\$ -</u>	<u>\$ 3,724,408</u>
N/A - Not applicable or not available.					(Concluded)

See Notes to Schedule of Expenditures of Federal Awards.

Town of New Fairfield, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

1. Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Town of New Fairfield, Connecticut ("Town") under programs of the federal government. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

- A. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. The Town has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Noncash federal awards

The Town received and expended \$42,277 of USDA donated commodities under the National School Lunch Program.

4. Prior year findings and questions costs

There were no prior year audit findings or questioned costs.

Town of New Fairfield, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:		<u>Unmodified opinion</u>	
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ x _____	no none reported
Significant deficiency(ies) identified?	_____ yes	_____ x _____	reported
Noncompliance material to financial statements noted?	_____ yes	_____ x _____	no

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	_____ x _____	no none reported
Significant deficiency(ies) identified?	_____ yes	_____ x _____	reported
Type of auditors' report issued on compliance for major programs:		<u>Unmodified opinion</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____ yes	_____ x _____	no

Identification of major programs:

AL Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:		<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	_____ x _____	_____	no

II. Findings - Financial Statement Audit

None

III. Findings and Questioned Costs - Major Federal Award Programs Audit

None

**State
Single
Audit**

**Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of State Financial
Assistance Required by the State Single Audit Act**

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Town of New Fairfield, Connecticut's ("Town") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2023. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Page 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated February 16, 2024, which contained unmodified opinions on those financial statements.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is 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 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
February 16, 2024

Town of New Fairfield, Connecticut

**Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2023**

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core CT Number	Passed Through to Subrecipients	Total Expenditures
Department of Education:			
Talent Development	11000-SDE64370-12552	\$ -	\$ 2,104
Non Sheff Transportation	11000-SDE64370-12632	-	18,200
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	6,761
Healthy Foods Initiative	11000-SDE64370-16212	-	12,854
Adult Education	11000-SDE64370-17030	-	4,386
Bilingual Education	11000-SDE64370-17042	-	2,220
School Breakfast	11000-SDE64370-17046	-	25,013
Department of Social Services:			
Medicaid	11000-DSS60000-16020	-	39,698
Office of Policy and Management:			
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	1,694
Property Tax Relief for Veterans	11000-OPM20600-17024	-	15,920
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	-	15,401
Municipal Revenue Sharing	12060-OPM20600-35458	-	274,340
Tiered Payment in Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	-	4,162
Local Capital Improvement Program	12050-OPM20600-40254	-	74,613
Body Worn Camera/Dashboard Camera Reimbursement Program	12052-OPM20350-43760	-	42,541
Municipal Grants-in-Aid	12052-OPM20600-43587	-	1,149
Connecticut State Library:			
Connecticard Payments	11000-CSL66051-17010	-	660
Historic Documents Preservation Grants	12060-CSL66094-35150	-	5,500
Department of Public Health:			
Small Town Economic Assistance Program (STEAP)	12502-DPH48615-43410	-	128,205
Department of Transportation:			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	135,806
Town Aid Road Grants Transportation Fund - STO	13033-DOT57131-43459	-	135,806
Department of Energy and Environmental Protection:			
Public, Educational and Governmental Programming and Educational Technology Investment Account (PEGPETIA)	12060-DEP44620-35363	-	24,230
Department of Emergency Services and Public Protection:			
Urban Act Grants	13019-DPS32110-41238	-	154,491
Total State Financial Assistance Before Exempt Programs			1,125,754
<u>Exempt Programs:</u>			
Department of Education:			
Education Cost Sharing	11000-SDE64370-17041	-	3,491,276
Special Education - Excess Cost Student Based and Equity	11000-SDE64370-17047	-	731,295
Department of Administrative Services:			
School Construction Grants	13010-DAS27635-43744	-	6,248,869
Office of Policy and Management:			
Municipal Stabilization Grant	11000-OPM20600-17104	-	265,666
Total Exempt Programs			10,737,106
Total State Financial Assistance		\$ -	\$ 11,862,860

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of New Fairfield, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2023**

1. Basis of presentation

The accompanying schedule of expenditures of state financial assistance ("Schedule") includes state grant activity of the Town of New Fairfield, Connecticut ("Town"), under programs of the State of Connecticut. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, education, public safety, public works, health and welfare and culture and recreation.

Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in fund balance, changes in net position, or cash flows of the Town.

2. Summary of significant accounting policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting

The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule.

3. Prior year findings and questioned costs

There were no prior year audit findings or questioned costs.

Town of New Fairfield, Connecticut

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<u>Unmodified opinion</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ x _____	no none reported
Significant deficiency(ies) identified?	_____ yes	_____ x _____	reported
Noncompliance material to financial statements noted?	_____ yes	_____ x _____	no

State Financial Assistance

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	_____ x _____	no none reported
Significant deficiency(ies) identified?	_____ yes	_____ x _____	reported

Type of auditors' report issued on compliance for major programs:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	_____ yes	_____ x _____	no
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The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Office of Policy and Management:		
Tiered Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17111	\$ 15,401
Municipal Revenue Sharing	12060-OPM20600-35458	274,340
Tiered Payment in Lieu of Taxes (PILOT) - MRSA	12060-OPM20600-35691	4,162
Department of Public Health:		
Small Town Economic Assistance Program (STEAP)	12502-DPH48615-43410	128,205
Department of Emergency Services and Public Protection:		
Urban Act Grants	13019-DPS32110-41238	154,491
Dollar threshold used to distinguish between type A and type B programs:	\$ 200,000	

II. Financial Statement Findings

None

III. State Financial Assistance Findings and Questioned Costs

None