

Town of Newington Connecticut



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

Office of the Director of Finance

**TOWN OF NEWINGTON, CONNECTICUT
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INTRODUCTORY SECTION

TOWN OF NEWINGTON, CONNECTICUT

**PRINCIPAL OFFICIALS
AS OF JUNE 30, 2024**

TOWN COUNCIL

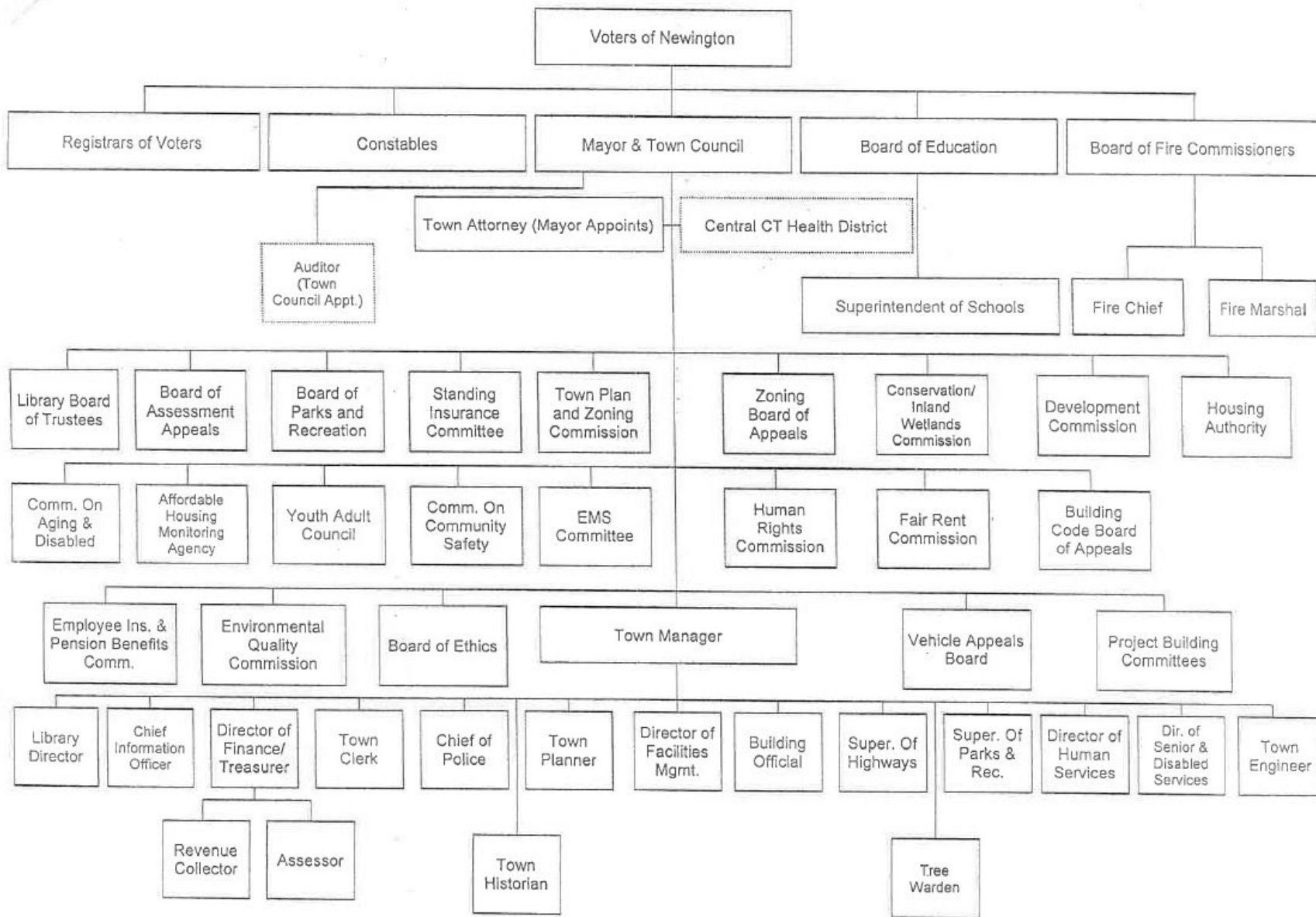
Jon Trister, Mayor
Gail Budrejko
Kathy Gonzalez
Tim Manke
David Nagel
Mitch Page
Matthew Plourd
Kim Radda
A.J. Tiniakos

BOARD OF EDUCATION

Amy Perrotti, Chairperson
Meri Beatrice
Brittany Carr
Shaun Holloran
Tony Miele
Tim Newton
Sam Sharma
Jessica Weaver
Anastasia Yopp

APPOINTED OFFICIALS

Thomas Hutka, Town Manager
Maureen L. Brummett, Superintendent of Schools
Janet Murphy, Director of Finance





Keith Chapman
Town Manager

TOWN OF NEWINGTON

200 Garfield Street Newington, Connecticut 06111

Finance Department

Janet Murphy
Director of Finance

December 18, 2024

To the Town Manager, Town Council, and Citizens of the Town of Newington

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024.

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

In addition to internal accounting controls, the Town maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget for the General Fund and Capital Improvement Projects Fund as approved by the Town Council and as may be amended during the fiscal year. The General fund level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the departmental level. The Town maintains annual budgets for other funds, such as Cemetery, Road Aid Maintenance, Recreation, Human Services, Senior and Disabled Center Donations, Insurance Reserve, Health Benefits, Land Acquisition, and Technology Funds that are not formally approved by the Town Council.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Newington's financial statements for the year ended June 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

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

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Profile of the Town

The Town of Newington covers approximately 13.2 square miles and is located six miles southwest of the City of Hartford. Newington is geographically in the center of the State and is bordered by West Hartford, Farmington, New Britain, Berlin, Rocky Hill, Wethersfield and Hartford. Newington is primarily a residential community; however, there is substantial industry scattered throughout the Town. The Berlin Turnpike (State Routes 5 and 15) is commercialized along its total length in Newington of 4.5 miles. The Town's population as of the 2020 Census was 30,493. The Town, originally part of the Town of Wethersfield, was settled in 1678 and incorporated in 1871. The Town functions under the Council-Manager form of government, adopted in 1966. A revision to the Town Charter was adopted by referendum on November 8, 2022.

The Town Council is the budget-making authority and the legislative body of the Town. The Town Council consists of eight councilors and a mayor who is the presiding officer of the Council. The councilors and the mayor each are elected at-large for two-year terms. The Town Council appoints the Town Manager who is the chief administrative officer of the Town. The Town Manager is responsible to the Council for the supervision and administration of Town departments and boards and commissions of the Town, except those elected by the people, or appointed by the Council, Mayor or a regional or state authority. The Council appoints the Town's Auditor annually. The Board of Education consists of nine members who each are elected at-large for two-year terms.

The financial administrator of the Town is the Director of Finance whom the Town Manager appoints. The Director of Finance oversees the Accounting division, the Assessor's office, and the Revenue Collector's office. The Administration and Accounting office administers and accounts for all Town funds. The Assessor's office locates, lists and prices real estate, personal property, and motor vehicles for the purposes of taxation. The Revenue Collector's office bills, collects, processes, and deposits taxes, interest and fees on all taxable property in Town. The Director of Finance serves as the Town Treasurer and oversees the Town's bank deposits and trust funds. The Director of Finance signs all checks for payment with Town funds.

The Town provides the following municipal services as authorized in its charter: public safety (police, fire and emergency medical services), public works, solid waste disposal, culture and recreation, library, education, health and community services, community development, public improvements, and general administrative services.

Economic Condition and Outlook

Newington's October 1, 2022 grand list increased approximately 0.88% compared to the prior year. The increase was primarily attributed to the value of personal property and motor vehicles that are being assessed on the 2022 Grand List compared to the prior year. The increase in personal property value was 4.54% and motor vehicles was 8.87%. Real Estate showed a decrease of 0.54%. The Town continues to maintain a balanced mix of retail, manufacturing and light industry and its top ten taxpayers represented about 7.79% of the total assessed value on the October 1, 2022 grand list. The Town's tax collection rate as of June 30, 2024 was 99.02%, slightly down .17% from the 2023 levels. Current year tax collections are similar to the same period of the previous year.

For fiscal year-end 2024, building permit activity generated \$45.8 million in construction value, down significantly from the prior year's number of \$105.2 million. Commercial projects were the biggest decline from the \$29.8 million value of fiscal year 2023 with 2 new commercial project permits being issued with a total value of only \$293,000. The trend continued of remodeling being done including the installation of pools, additions and commercial properties looking to upgrade their locations. The value of these building permits totaled \$36.9 million. There were also 125 new solar permits issued with a value of \$2.3 million. Even though Newington is limited in land for extensive housing development, there were a several new residential permits pulled during the year. There were five new residential properties that received permits during the fiscal year with a construction value total of \$1.7 million..

The Town's overall economic condition continues to improve, surpassing most towns in Connecticut, as exemplified by a number of economic indicators:

- According to the State Department of Labor, the Town's 2024 average unemployment rate decreased to 3.3%, versus the Hartford Labor Market and the statewide average rates of approximately 3.9%.
- Annual Median Income continues to strengthen, surpassing \$100,000.
- An Economic Digest published as a joint publication of the Connecticut Department of Labor & Connecticut Department of Economic and Community Development, state that out of 169 municipalities in the state, 136 of them saw an increase in their Town Economic Indexes. Newington has seen a growth of 15.6 from 2020 to 2023. This increase is right in line with all of the surrounding town's growth.
- Connecticut has continued to add jobs with the unemployment rate going down to pre-pandemic level and Newington continues to be slightly below the State results.

Long-Term Financial Planning

The Town of Newington has continued to focus its efforts on recruitment, including soliciting new business ventures to locate or, in some instances, relocate to the Town while recognizing that the Town is predominantly fully developed. Therefore, assistance in site selection for potential new businesses combines identifying available vacant land for new development and existing available vacant or underutilized buildings for redevelopment, focusing on re-tooling some of these buildings for an updated new use.

Several significant real estate developments have been approved by the Town Planning & Zoning Commission or recently completed. Two of the most active areas in Town continue to be the Berlin Turnpike and Fenn Road adjacent to Central Connecticut State University. Some of these projects include:

3333 Berlin Turnpike	5 building commercial/retail development (79,993 sf)
2929 Berlin Turnpike	Restaurant with outdoor dining patio (4,420 sf)
227 Pane Road	151-unit market rate apartment complex with 10% affordable
96-100 Pane Road	269-unit market rate apartment complex
77 Pane Road	Commercial swim school and pickleball courts (11,170 sf)
67 Pane Road	Commercial Equipment Rental (11,480 sf)
712 Cedar Street	122-unit extended stay hotel
690 Cedar Street	232-unit market rate apartment complex

550 Cedar Street	92-unit affordable apartment complex
12 Fenn Road	Retail dining cluster development (8,928 sf)
16 Fenn Road	Car Wash
69 Culver Street	225-unit market rate apartment complex
751 Russel Road	Electric car showroom/EV charging and gasoline station/market
385 Stamm Road	Indoor gym/training facility (20,000 sf)

The above projects represent a significant investment by the developers in the Town of Newington.

Newington's Town Center continues to prosper, offering affordable rents to more than one hundred businesses ranging from banks, restaurants, health care, and professional and personal services. Conversations with interested developers regarding the re-use of existing buildings, including Hartford Healthcare's former Children's Hospital, the former Best Market Supermarket site, and the Keeney Manufacturing building, continue in an attempt to bring even more variety of businesses to the downtown district.

The largest landholder within the Town Center, Hartford Healthcare, recently vacated and intends to divest from its approximately 49-acre site within steps of the Town Center and Constitution Square. These 49 acres present a rare and significant redevelopment potential for the Town. The Town has initiated a Town Center Economic Development Master Plan to facilitate appropriate development, foster economic viability, support existing businesses, and encourage the use of the Town's center as a public gathering space. The study is anticipated to be completed in the spring/summer of 2025.

The Town has supported infrastructure improvements in commercial areas and key transportation corridors by leveraging state and federal grants to fund additional streetscape and transportation corridor enhancements. The recent streetscape improvements include those completed, such as on Maple Hill and Robins Avenue, and those under design, such as Maple Hill to Alumni Road, Hartford and Stoddard Ave, and New Britain Ave. In addition, the Town obtained a \$80,000 federal grant to evaluate and plan enhancements for the Cedar Street corridor that connects the Berlin Turnpike to Route 9 and Central Connecticut State University. The Town has partnered with the Capitol Region Council of Governments, which was awarded a \$2 million Federal RAISE grant to re-envision the future of Berlin Turnpike. This grant is a regional effort, and the Town of Newington has partnered with CRCOG, CTDOT, CTtransit, and the Towns of Wethersfield and Berlin.

Newington has prioritized regionalization through cooperative grants and projects with the State, Capitol Region Council of Governments, and neighboring towns. Newington is a centrally located employment and housing hub that provides convenient access to employment centers, housing, and universities within the region, including major cities such as Hartford, New Britain, New Haven, and East Hartford. Due to the challenges faced throughout the entire northeast, the Town of Newington has recognized that working with other communities and the State of Connecticut can derive benefits that aid in the expansion of our tax revenues and employment opportunities. Newington also recognizes the importance of collaborating with adjacent Universities such as CCSU, Trinity, University of Hartford, and other institutions for internship and employment opportunities.

In reviewing the residential growth figures, the Town has approved several significant residential projects. These projects include a total of 1,030 units, representing 985 multifamily units and 45 single-family lots. Of these units, 420 multifamily units have been delivered in 2024, along with several single-family homes. Infrastructure improvements have begun at the Rock Hole Brook subdivision, a 23-lot residential subdivision, and houses are in high demand at the Peckham Farms subdivision on Deming Street, an 18-

lot residential project nearing the end of construction. Sales prices for homes in the Peckham Farms subdivision range from \$650,000 to \$800,000.

In efforts to enhance residential development, blight conditions are an essential factor for our current and future residents, and any blighted properties have a negative effect on our economic development efforts. The Town of Newington has focused on decreasing and eliminating blighted properties to maintain real estate values while enhancing the overall appearance of our residential communities.

The Town of Newington has always been known as a highly desirable place to live, work, and invest. The Town staff is committed to working with the Newington Town Council, Chamber of Commerce, Economic Development Commission, Town Planning and Zoning Commission, and Newington Community Access TV to attract and retain businesses.

Newington has a successful Capital Improvement Program through which its goal is to maintain the Town's infrastructure and make improvements to and/or add community facilities to enhance the Town's overall image and services it provides to Town residents. The Town's capital planning process includes 1) the evaluation of project priorities within the Town's ability to pay, public health and safety needs of its residents and legal mandates, 2) the integration of Town and Board of Education projects 3) financing plans for capital projects and 4) coordination of the capital plan with the annual operating budget. The Town's recommended funding level for capital improvements considers two components. First, the Town's Debt Management Policy advocates that the Town's total outstanding debt should be held at a manageable level. Therefore, the maximum the Town will pay for future debt service payments would allow enough funds to cover other initiatives. Secondly, recognizing the merits of the Town's Equipment Replacement Reserve Fund for vehicles, this concept was duplicated to all Town fixed assets (infrastructure and buildings). Both the short and long range plans are to continue to fund the CIP in a similar nature to assure the control of spending is justified and favorable to the Town tax payers.

Relevant Financial Policies

The Town has implemented key financial policies and management uses these as a guideline to maintain the financial stability and strength of the Town.

- **Budgetary Control** - Expenditures may not legally exceed budgeted appropriations at the department level. The Town Manager may transfer appropriations from one classification to another within the same department, except within the Board of Education, when the Manager deems it necessary for the proper administration of the Town. During the last six months of the fiscal year, the Town Council may transfer any unencumbered appropriation, except within the Board of Education, provided that the resolution making the transfer includes the certification of the Director of Finance that the balance of the appropriation is free of encumbrances. The Town Council may make a special appropriation provided that the resolution is \$375,000 or less and that the Director of Finance certifies that the amount to be appropriated is unencumbered and unappropriated in the Town's treasury. Any special appropriations up to 1.5% of the General Fund Appropriation, or less, but in excess of \$375,000 shall be passed by a Town ordinance. Special appropriations of more than 1.5% of the General Fund Appropriation require approval of the voters. Budgetary control is maintained by an encumbrance system. All purchases, except certain services as outlined in the Town's Purchasing Manual, require a purchase requisition and a purchase order. In addition, purchases over \$15,000 require evidence that written quotations were received and that

the lowest quote, consistent with quality, was selected. Town Charter requires formal competitive bids for expenditures over \$30,000. Funds are recorded as encumbered when the purchase order is issued and expenditures are recorded when the Town issues a check or incurs a liability.

- Debt Policy - In accordance with the Newington Town Council's Debt Capacity Study completed in June 2002, it was recommended that the Town's total outstanding debt should not exceed \$30.0 million. Additionally, Debt Service as a percent of total General Fund expenditures should not exceed 6%; outstanding bonded debt as a percent of assessed value should not exceed 2.0%; and outstanding bonded debt against the population on a per capita basis should not exceed \$1,000 per year. There are no plans to go out to bonding in the 2024-2025 fiscal year. Applicable data with regard to debt at the end of the 2024 fiscal year is represented as follows:

	Amount	Ratio of Net Debt Service to Budget	Ratio of Bonded Debt to Grand List	Debt Per Capita
Total direct debt outstanding - bonds	\$28,435	2.47%	1.00%	\$980

Major Initiatives

Work on the project that Economic Development presented for the sale of 690 Cedar Street continued during the year. This has long been a vacant property of 3.99 acres that the Town cleaned up for development. The proposed buyer intent is to develop a class-A, market rate, transit oriented, multi-family community. Currently the buyers of this property are finalizing their funding plans. The sale is expected to happen before the end of 2024. Sale price for the property is contracted at \$1,470,000.

The Anna Reynolds Elementary School Renovation project continues. Approved bonding for this project is set at \$17.75 million with \$10 million being issued in the prior fiscal year. The remaining cost, above authorized bonding, is being covered by the State grant programs. The intent of this project is to renovate as new the entire school. During the summer of 2024 this project was completed.

A budget process was held and the Town Council approved various project under the ARPA funding. Approved projects included, Town Clerk shelving, Police dispatch console replacement, Fire Department equipment upgrade, Fire Museum heating and security, respiratory protection, light towers, pavement preservation, Highway Department equipment, box truck, pick-up truck, Human Services freezers, challenge course update, Library Department reorganization of work space, Parks Department equipment, Engineering pipe inspection camera and work on the Town Hall drainage line.

During the fiscal year several grants were awarded including CRCOG Raise Grant for the high level study and assessment of safety accommodations on the Berlin Turnpike, CT Volkswagen grant from DEEP for the installation of two Class 2 EV charging stations, and a STEAP grant for the replacement of the pedestrian bridge at Mill Pond Park over the Mill Pond Falls. All of these grant projects are underway with the replacement of the bridge scheduled to be completed in December of this year.

In past years we applied for assistance and were approved for a \$1 million grant to build an EOC. The Town has a matching requirement of \$250,00 that was included in the 2021-22 fiscal budget under our Capital improvement projects. During the 2023-2024 fiscal year the Council approved the appropriation of \$1.8 million for the purchase of 28 Garfield Street which will be the location for the new EOC. Work will continue on the design with construction to begin in the new fiscal year.

John Wallace Middle School Renovation project was approved in the referendum on November 7, 2023 for an appropriation of \$10,997,600. Both bonding and State grant programs will be the funding for this project. A building committee was established enabling planning and design work to be started.

Capital improvements included the completion of several infrastructure projects such as pavement improvements to roads, Town Center economic study and concept plan, continued work on designing the safety radio replacement with a lease being signed, patrol car dashboard cameras, improvements to park playgrounds, and various drainage and sidewalk improvements

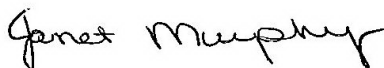
Lastly, the Town Manager resigned in February and a Town Manager Search committee was formed. After months of meetings and interviews, our new Town Manager, Jonathan Altshul, was selected and he began work as of August 12, 2024.

Awards and Acknowledgements

This report has been prepared following the guidelines of the Government Finance Officers Association (GFOA) of the United States and Canada and the Governmental Accounting Standards Board. The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement, which is valid for one year only, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a government unit and its management. The Town was awarded the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2023 for the results to receive it for the 31st consecutive year. The Town intends to submit this report to GFOA for review under this program.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. My appreciation extends to all members of the Department who assisted and contributed to its preparation, in particular to Deputy Finance Director Lisa Rydecki. This department looks to continue to provide the support and advice you will need in carrying out the policies of the Newington Town Council and addressing the many challenging issues confronting the Town in the years ahead.

Respectfully submitted



Janet Murphy
Director of Finance

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Government Finance Officers Association

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**Town of Newington
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Town Council
Town of Newington, Connecticut

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Town of Newington, Connecticut 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 of Newington, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Newington, Connecticut'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 of Newington, Connecticut's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension and OPEB schedules, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

We also previously audited, in accordance with GAAS, the basic financial statements of the Town of Newington, Connecticut, as of and for the year ended June 30, 2023, (not presented herein), and have issued our report thereon dated December 31, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2023 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of the Town of Newington, Connecticut'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 of Newington, Connecticut'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 of Newington, Connecticut's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
December 18, 2024

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

This discussion and analysis of the Town of Newington, Connecticut's (Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- The Total Net Position for government-wide activities increased \$17.0 million from \$108.2 million to \$125.2 million, an increase of 15.7% from prior year. This is primarily being driven by the increase in our Capital Assets, Anna Reynolds Renovation Project, and the decrease in the calculation of the deferred outflows for both pensions and OPEB.
- Total cost of all of the Town's programs was \$154.5 million with no new programs added this year. That was a decrease of \$4.1 million from the 2023 fiscal year mainly due to the reduction in expenses for the Board of Education.
- During the year, the Town had expenses that were \$16.9 million less than the \$171.4 million generated in tax and other revenues for governmental programs.
- The resources available for appropriation were \$4.3 million more than budgeted for the General Fund. Expenditures were \$2.5 million less than appropriations. Both investment income and employee vacancies played key roles in those variances.
- The General Fund reported a fund balance this year of \$41.3 million. On a budgetary basis, \$32.9 million represents the Town's fund balance; \$3.3 million is assigned for 2024-25 budget, \$2.5 million is assigned for outstanding encumbrances and \$2.6 million is the committed balance for the Board of Education Non-Lapsing Fund.
- The tax collection rate was 99.02%, down slightly from prior years' 99.19%.
- The Town of Newington's outstanding bonded debt at June 30, 2024 was \$28.4 million, a decrease of \$2.4 million or 7.8%, from the prior year. The Town did not go out for bonding during the fiscal year but plan to do so in the spring of 2025 for the Anna Reynolds project and other authorized but not issued bonding. Bonds have been authorized for work on the Anna Reynolds School in the amount of \$17.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

These two statements report the Town's net position and changes in them. The Town's net position, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities:

- *Governmental activities* - The Town's basic services are reported here, including education, public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Recreation Programs, Health Benefits Fund and the Employee Leave Liability Fund,) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the State and Federal governments and accounted for in the Special Revenue Fund). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Health Benefits Fund and Insurance Reserve Fund.
- *Fiduciary funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position (Table 1) may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$125.1 million at June 30, 2024. This is an increase of \$17 million from the previous fiscal year.

Table 1 – Net Position
(in Thousands)

	Governmental Activities	
	2024	2023
Assets:		
Current and Other Assets	\$ 85,611	\$ 93,443
Capital Assets, Net of Accumulated Depreciation	161,022	140,875
Total Assets	246,633	234,318
Deferred Outflow of Resources	7,187	13,734
Liabilities:		
Long-Term Debt Outstanding	103,081	116,556
Other Liabilities	15,586	17,526
Total Liabilities	118,667	134,082
Deferred Inflow of Resources	9,989	5,728
Net Position:		
Net Investment in Capital Assets	125,120	110,035
Restricted	11,618	8,766
Unrestricted	(11,574)	(10,559)
Total Net Position	\$ 125,164	\$ 108,242

Net position of the Town's governmental activities increased by \$17.0 million or 15.7% (\$108.2 million compared to \$125.2 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - changed from \$(10.6) million at June 30, 2023 to \$(11.6) million at the end of this year. The largest portion of the Town's net position, \$125 million or 100%, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The total net position increased from last year \$108.2 million due principally to favorable investment returns and generally good operating results. By far the largest portion of the Town's net position (\$125.1 million) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment). Work continued on the Anna Reynolds School renovation project which increased capital assets significantly this year. This project is planned to be completed during the 2025 fiscal year. Our investment income this year far out paced what was budgeted which helped our operating revenue greatly and resulted in a reduction in our pension and OPEB liability. Long-Term Debt Outstanding was reduced this year by \$13.5 million and the large majority of that, \$13.4 million, was due to the decrease in pension and OPEB liability.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Governmental Activities

Change in net position (Table 2) of the Town's governmental activities increased by \$17.0 million. Approximately 63.7% of the revenues were derived from property taxes, followed by 20.92% from operating grants, the remaining 15.38% is from charges for services, capital grants and contributions and other grants that were not restricted for specific purposes. Key elements of the increase are as follows:

- Property tax revenues recorded for fiscal year 2024 increased compared to the prior fiscal year by 1.3 million. This reflects a tax rate of 38.36 mills, a decrease of .13 mills over the rate used in the previous fiscal year. The tax collection rate for the year was 99.02%, a slight decrease from the prior year of 99.19%. These areas, which resulted in decrease to our property tax revenues, were offset by the growth in the Grand list for the 2023-24 fiscal year of 1% and the decreased amount or prior year tax refunds.
- Licenses, Fees and Permits decreased \$802 thousand this year compared to prior year. There were several large development projects last year paying permit fees that we did not see during the current fiscal year.
- Operating grants and contributions decreased by \$4.7 million. The major decrease would be the funding that we received in prior year of \$3.3 for a LOTCIP complete street grant and other small grants such as Kellog Eddy Roof replacement which are all one-time grants.
- Capital grants and contributions decreased \$5.3 million compared to prior year figures. Construction on the Anna Reynolds School renovation project including state school construction reimbursement grants and bond issuance premiums were higher in the prior year. Also, the ARPA projects and recognition of revenue were larger in the 2022-2023 fiscal year.
- For governmental activities, approximately \$103.0 million of the Town's expenses related to education, \$17.3 million relates to public safety, \$8.9 million for general government, \$14.3 million for public works, \$7.9 for Library/Parks & Recreation, \$2.0 million for health and community services and \$1.0 million to interest on Long-Term Debt. The total cost of all programs and services was \$154.5 million, down \$4.1 million. This decrease is driven primarily by the Board of Education and Public Safety. The Police Department, similar to many departments in the state, is noticing significant staffing vacancies. At times during the year the staffing shortage was as high as 10 open positions, thus resulting in the favorable operating variance for that department. The BOE expenditures were lower due to the reduction of construction expenditures on the Anna Reynolds School during the year.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Table 2 – Change in Net Position
(in Thousands)

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues:		
Charges for Services	\$ 7,907	\$ 7,491
Operating Grants and Contributions	35,853	40,508
Capital Grants and Contributions	8,660	13,977
General Revenues:		
Property Taxes	109,238	107,981
Grants and Contributions Not Restricted to Specific Purposes	4,974	4,126
Unrestricted Investment Earnings	3,612	2,291
Other General Revenues	1,157	1,335
Total Revenues	<u>171,401</u>	<u>177,709</u>
Program Expenses:		
General Government	8,905	9,305
Public Safety	17,275	18,125
Public Works	13,360	12,690
Community Planning and Development	895	945
Health and Community Services	2,031	2,056
Library	2,655	2,485
Parks and Recreation	5,302	5,604
Education	103,037	106,664
Interest on Long-Term Debt	1,019	749
Total Program Expenses	<u>154,479</u>	<u>158,623</u>
Increase in Net Position	16,922	19,086
Net Position - Beginning of Year	<u>108,242</u>	<u>89,156</u>
Net Position - End of Year	<u>\$ 125,164</u>	<u>\$ 108,242</u>

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The following analysis separately considers the operations of governmental activities. Table 3 presents the cost of each of the Town's five largest programs - general government, police and fire, public works, education, and parks and recreation - as well as each program's net cost (total cost less revenues generated by the activities). The net cost, which shows the financial burden placed on the Town's taxpayers by each of these functions, increased by \$5.4 million (\$102.1 million compared to \$96.7 million). The most noteworthy changes are as follows:

- The cost of General Government, Public Safety, and Park and Recreation decreased by \$2.3 million. Primary driver of the decrease was in the area of public safety which saw a staffing vacancy during the year that went up to 10 positions. Staffing vacancies for both the General Government and Parks and Recreation was also played a key factor in the decrease in those areas. Also contributing to the decrease in the net cost of services in these areas was our investment income that came in \$2.5 million favorable to budget for the General Fund.
- Education also experienced a decrease in the amount of expenses going from \$106.7 million to 103.0 million. This decrease was due to the lower than prior year expenditures on the Anna Reynolds School Renovation project. These decreases were more than offset by the decrease of grant reimbursement for the year resulting in a Net Cost Services increase of \$1.8 million.

TABLE 3 - Governmental Activities
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
General Government	\$ 8,905	\$ 9,305	\$ 4,486	\$ 5,253
Public Safety	17,275	18,125	16,944	17,881
Public Works	13,360	12,690	10,659	6,111
Education	103,037	106,664	61,227	59,407
Parks and Recreation	5,302	5,604	3,054	3,621
All Others	6,600	6,235	5,689	4,374
Total	<u>\$ 154,479</u>	<u>\$ 158,623</u>	<u>\$ 102,059</u>	<u>\$ 96,647</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$50.8 million. Approximately 53.5% of the fund balance amount or \$27.1 million constitutes committed fund balance that is committed to the Board of Education Non-Lapsing Fund, Capital Projects, and Nonmajor Governmental Funds (primarily cemetery and Board of Education funds). The next largest portion, \$15.4 million or 30.3% is unassigned funds available for unforeseen contingencies and to offset future budgets over the long term. The balance of \$8.3 million is primarily assigned to balance the subsequent year's budget and to liquidate purchase orders. We are seeing the shift this year from unassigned to committed funds as the Anna Reynolds School renovation project incurs increased expenses during the year. The Town had positive fund balances in all categories of net position both for the governmental as a whole as well as for its separate governmental activities.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

As highlighted in Exhibit IV, the combined fund balance decreased by \$9.3 million (\$50.7 million compared to \$60.0 million) from last years' total. Included in this year's total change in fund balance is a decrease of \$11.2 million in Capital Project Funds. The decreased funds are due to financial resources used during the fiscal year for the Anna Reynolds School renovation project and other small projects that were completed. Additional bonding is scheduled for the spring of 2025 to reimburse the town for some of the expenditures related to the Anna Reynolds School project. The remaining funds are available for the acquisition of major equipment or construction of facilities.

The General Fund's revenue and other financing sources were more than the expenditures by \$2.5 million for the fiscal year thereby increasing the fund's equity balance to \$41.3 million. This is due to the favorable variance in interest income, unbudgeted Municipal Revenue Sharing Grant that we received and expenditures lower than budgeted due to staffing vacancies. Expenditures related to the transfers in will be used in future years.

The Miscellaneous Grants Fund revenue and other financing sources were less than the expenditures and other financing used by \$1.4 million for the fiscal year thereby decreasing the fund's equity balance to \$1.9 million. The decrease is due to the increased capital outlay on such projects as the LOTCIP Complete Street project, Kellog Eddy House Roof replacement, and continued use of funds under the ARPA grant for capital projects. Although we continue to actively look for grants, we are currently working to finish the projects already started and get reimbursement for the expenditures.

Nonmajor Governmental Funds increased by \$.724 million to a balance of \$7.1 million. While revenue came in close to prior year figures, expenditures came in approximately \$745 thousand below. The primary cause of this was additional staff for the cemetery fund being canceled and a reduction in capital projects in these funds.

Small Cities Fund accounts for financial resources from the Federal Community Development Block Grants/Small Cities Program. The fund balance increased this fiscal year as two loan repayments were made during the year totaling \$61 thousand and only \$4 thousand was paid out. As of June 30, 2024, the fund balance increased to \$57 thousand.

The Town experienced a variety of significant General Fund events that affected the year ending equity balances. The major impacts include:

1. The Town had an increase of \$1.1 million in property tax revenue compared to 2023. This was due to an increase in our grand list of .98%, increased collection on prior year taxes and interest, partially offset by a decreased mill rate, and a slight decrease in the collection rate.
2. State of Connecticut funding was above budget by \$1.1 million. The receipt of a Municipal Revenue Sharing grant in the amount of \$806 account for the majority of this variance.
3. Investment income was favorable to budget by \$2.5 million. Our earned interest rate during the year went up over 5% which is something we had not seen since prior to COVID.
4. General operating expenses were up \$1.6 million compared to prior year. There was a decrease in transfers out for CIP projects of \$4.0 million while increase for the Board of Education, and debt services were \$3.9 million.
5. Town department expenses experience and increase of \$1.7 million compared to prior year. This increase was spread out between all of the areas for wage increases and increase in vendor cost.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

6. Comparison between the increase in net position between fiscal year 2023 and 2024 was \$16.9 million. This is mainly due to the conservative spending increases, above expected revenue receipt and the change in deferred outflows and inflows relative to the Pension and OPEB liability.

Proprietary Funds

The Town accounts for two funds in its proprietary funds. The Town's Health Benefits Fund and its Insurance Reserve Fund, both of which are self-funded programs and the Town's only business-type activities. Unrestricted net position of both funds totaled \$7.3 million, a decrease of \$.1 million from the prior year. This is primarily due to the performance of the Health Benefits Fund which experienced more large loss claims than prior year and benefit payments (expenses) of \$.2 million over revenue offset by the insurance reserve expenses coming in \$.1 million under revenue. The Insurance Reserve Fund is to pay for losses incurred through insurance deductibles and uninsured property and casualty losses. During the year contributions by the Town were more than the payments made for insurance claims by \$118 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the Town had \$161 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and storm water lines - Table 4. This amount represents a net increase (including additions and deductions) of \$20.1 million or 14.3%, over last year.

Table 4 – Capital Assets (Net of Depreciation)
(in Thousands)

	Governmental Activities	
	2024	2023
Land	\$ 7,847	\$ 7,847
Intangible Assets	2,770	2,770
Buildings and Improvements	73,052	73,834
Equipment	17,151	13,897
Right-to-Use Assets	849	1,639
Subscription Based Information Technology	36	95
Infrastructure	28,171	25,779
Construction in Progress	31,146	15,014
Total	<u>\$ 161,022</u>	<u>\$ 140,875</u>

This year's major additions included (in thousands):

Buildings - Additions in the amount \$1,034 thousand were due to Senior and Disabled Center Window Replacement and Roof Improvements, Fire Company 1 Radiant Heaters, Fire Museum Heating System, Police Building Roof Improvements, Highway Building Overhead Doors with Height Modifications, Newington High School Vestibule/Lobby Security Improvements and HVAC, John Wallace Middle School Air Handling Units and various Town Building improvements.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Land Improvements - Additions in the amount of \$954 thousand were due to Police Memorial Monument, Fire Company 1 Digital Electronic Sign, Eagle Park Playground Improvements, Irrigation System at Newington High School South Field, Candlewyck Park Basketball Court Restoration, Newington High School Parking Lot Improvements, Newington High School Track Reconstruction and various Town Land Improvements.

Furniture, Fixtures and Equipment - These were added in the amount of \$6,069 thousand. General Government increased by \$278 for a Freedom of Information Portal, an Index Card Storage System, a Freightliner Truck and additional Audio-Visual Equipment for the new Town Hall. Public Safety increased by \$4,670 for the purchase of a Chevy Tahoe, Emergency Lights/Electrical for Police Vehicles, Vehicle Set-ups for 4 Chevy Tahoes, Fire Quantifit Fit Test Machine and Public Safety Radio System. Public Works increased by \$204 due to the purchase of a Video Inspection Camera for Pipes, a Gridsmart Camera System for Richard and Church Street and Salt Spreader Controls. Community Services increased by \$11 for Food Bank Freezers. Library increased by \$11 for Study Area Furniture. Parks and Recreation increased by \$331 for the purchase of an F-250, a Silverado with plow and sander, a ballfield groomer, a pool circulation pump/large filter for Mill Pond Pool and Scoreboard/Bleachers/Netting for Clem Lemire. Board of Education increased by \$564 for 3 School Busses, a Computer Server, School Furniture for Anna Reynolds, John Wallace and Newington High School and various custodial equipment.

Infrastructure - Additions in the amount \$3,267 were due to continued work on Robbins/Maple Hill bike lane construction, drainage improvements at Police Department, Parks Garage and Swale on Willard Street, resurfacing/improvements to Halleran Drive, Ashland Avenue, Cambria Avenue, Walsh Avenue, Eighth Street, Seventh Street, Fifth Street, Buena Vista Avenue, Stuart Street, Johnson Street, Theodore Street and other smaller roads comprising 35,704 linear feet.

Construction in Progress - Additions in the amount of \$16,132 thousand were due to costs for the Anna Reynolds Renovate as new project.

Total Net Additions	\$ <u>27,456</u>
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The Town's fiscal-year 2024-25 budget calls for it to spend \$7.0 million for capital projects, of which \$0.6 million is financed from the State of Connecticut and the balance from local funds. It is primarily to finance major vehicle equipment replacement, road reconstruction and resurfacing, town technology, Garfield Street Sidewalk/Crosswalk Improvements, Seymour/Candlewyck Parks Playground ADA Improvements and radio lease.

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Long-Term Debt

At June 30, 2024, the Town had \$28.4 million in bonds outstanding versus \$30.8 million last year - a decrease of 7.6% - as shown in Table 5.

Table 5 – Outstanding Debt
(in Thousands)

	Governmental Activities	
	2024	2023
General Obligation Bonds (Backed by the Town)	\$ 28,435	\$ 30,770

- The decrease in the Town's indebtedness is due to the fact that no new bonds were issued this fiscal year compared to the \$10 million for the Anna Reynolds School Construction Project during the 2022-23 fiscal year. Payments on outstanding bonds totaled \$2,335 in principal payments during the year. The Town has bonds authorized but unissued in the amount of \$4.8 million for the Town Hall Project and \$7.7 million was approved in the Fall of 2020 for the renovation of the Anna Reynolds School.
- The Town holds a credit rating from Moody's Investor Services of Aa2. Standard & Poor's Ratings Services raised its rating on the Town's general obligation bonds to 'AA+' from 'AA' based on the implementation of its local GO criteria.
- The State limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes based on type of debt and tax base. When the Town's outstanding general obligation debt is calculated in accordance with this formula, it is significantly below this \$751 million state-imposed limit.

Other obligations include an accrued vacation pay and sick leave and leases for radio equipment and a fire truck. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

From a financial perspective as detailed in this annual financial report, Newington once again successfully managed the 2023-24 budget through prudent, conservative fiscal management. This is evidenced from the fact that final actual expenditures are \$2.5 million under the final budget and the revenue side was favorable \$4.2 million. The significant challenges in the development of the 2024-25 Town budget continued to be: 1) the economic conditions in the region and nationally, including the rising cost for goods and services; 2) maintain costs to meet the high level of service to which Town residents are accustomed; and 3) the ability of citizens to absorb any increases in taxes during a year when many citizens are experiencing financial difficulty.

On a budgetary basis, the June 30, 2024 unassigned General Fund balance, after the designation of \$3.3 million to assist in financing the 2024-25 appropriations, increased by \$3.0 million to a level of \$33.2 million or 23.16% of the fiscal year 2024-25 budget. The Town has consistently maintained a ratio of unassigned fund balance at a level of 10% or higher of subsequent year's appropriation, which is consistent with the parameters as set forth by the credit industry. General Fund balance increased due to a better than budget result in the revenue and expense area. For revenue the largest favorable variances were in the investment income and grants from the State of Connecticut. The Town budgeted conservatively in both areas which resulted in a highly favorable variance of \$2.5 million in

**TOWN OF NEWINGTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

investment income and a \$1.1 million positive variance for State of Connecticut Grants. This year the Town of Newington received a grant from the state in the amount of \$806 thousand for Municipal Revenue Sharing that was not budgeted. On the expense side the full year staffing vacancies across many departments was the key factor leading to the positive variance in that area. Similar to other communities, Newington continues to address the difficult budgetary and economic times through strong management, well-managed fund balances and an active economic development program.

The Town's adopted fiscal year 2024-25 General Fund appropriations totaled \$143.4 million, an increase of 4.3% over the 2024 budget of \$137.5 million. This is one of the largest increases in many years. The most significant factor driving the overall budget increase is the combined operating expense increases for both the Town and Board of Education of \$6.5 million. The increase in vendor cost, materials and salary continue to be the major factors for the increase.

On the revenue side, the 10/1/2023 net taxable list increased .98% from the 2022 Grand List. The net real estate grand list increased .67% which is attributable to the slight increase in residential building in town. The personal property category increased by 6.06%. The 2023 motor vehicle component of the Grand List increased .07% over the 2022 Grand List. Estimated State Aid and other revenue sources such as building permits and real estate conveyance fees, which comprises approximately 20.6% of total revenues, increased 6.7% compared to the budget for 2023-24. The passing of the state statute requiring the capping of the mill rate for motor vehicles will see us reduce our taxable grant list for the 2024-25 fiscal year by approximately 11.4%. These funds will be reimbursed to the Town from the state at 100% and with the plan that in future years the percentage of reimbursement will decline.

We continue to hold steady with per capita income of Newington's residents being approximately \$47.8 thousand, slightly below the statewide average, but its median family income of \$100 thousand exceeds the statewide average. Building permit activity continue to decreased in comparison to last year's value of permits in October of 2023 but there are building developments planned to start in the 2025 fiscal year. As of October 2024, the unemployment rate for Newington was 3.3%, down slightly from 3.4%, in the prior year, and compares favorably to the State's unemployment rate during the same period.

The Town of Newington is well positioned to deal with the present economic situation. With an overwhelming reliance on property taxes, Newington's income stream is rather stable, even during a period of fiscal stress. The Town's diverse tax base lends stability to the Town's revenue. The Town's Berlin Turnpike, central location in the State and proximity to Hartford continue to attract and retain housing and commercial development. This increased development will lend itself to expand the tax base. Newington will continue to take steps to exercise fiscal discipline and manage revenue shortfalls through diligent cost control and enhanced operating efficiencies.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Newington, Connecticut, 200 Garfield Street, Newington, Connecticut 06111.

BASIC FINANCIAL STATEMENTS

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2024
(IN THOUSANDS)

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 66,666
Investments	5,889
Receivables, Net	12,659
Due from Trust Funds	279
Prepaid Items	8
Inventory	110
Capital Assets Not Being Depreciated or Amortized	41,763
Capital Assets Being Depreciated or Amortized, Net	119,259
Total Assets	<u>246,633</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	69
Deferred Outflows Related to Pensions	5,745
Deferred Outflows Related to OPEB	1,373
Total Deferred Outflows of Resources	<u>7,187</u>
LIABILITIES	
Accounts and Other Payables	9,503
Unearned Revenue	6,083
Longterm Liabilities	
Due Within One Year	4,322
Due in More than One Year	98,759
Total Liabilities	<u>118,667</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Leases	260
Advance Property Tax Collections	160
Deferred Inflows Related to Pensions	2,680
Deferred Inflows Related to OPEB	6,889
Total Deferred Inflows of Resources	<u>9,989</u>
NET POSITION	
Net Investment in Capital Assets	125,120
Restricted for:	
Permanent Funds	37
Grants	11,581
Unrestricted	<u>(11,574)</u>
Total Net Position	<u><u>\$ 125,164</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ 8,905	\$ 3,167	\$ 14	\$ 1,238	\$ (4,486)
Public Safety	17,275	81	250	-	(16,944)
Public Works	13,360	26	1,787	888	(10,659)
Community Planning and Development	895	592	-	-	(303)
Health and Community Services	2,031	28	268	-	(1,735)
Library	2,655	23	-	-	(2,632)
Parks and Recreation	5,302	2,213	35	-	(3,054)
Education	103,037	1,777	33,499	6,534	(61,227)
Interest on Long-Term Debt	1,019	-	-	-	(1,019)
Total Governmental Activities	<u>\$ 154,479</u>	<u>\$ 7,907</u>	<u>\$ 35,853</u>	<u>\$ 8,660</u>	(102,059)
GENERAL REVENUES					
Property Taxes					109,238
Grants and Contributions Not Restricted to Specific Programs					4,974
Unrestricted Investment Earnings					3,612
Miscellaneous					1,157
Total General Revenues					<u>118,981</u>
CHANGE IN NET POSITION					
Net Position - Beginning of Year					<u>108,242</u>
NET POSITION - END OF YEAR					
					<u>\$ 125,164</u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	General	Capital Projects	Miscellaneous Grants Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 44,960	\$ 1,683	\$ 6,997	\$ 4,543	\$ 58,183
Investments	2,420	-	-	3,469	5,889
Receivables, Net	2,087	9,497	120	955	12,659
Due from Other Funds	421	-	-	-	421
Prepaid Items	5	-	3	-	8
Inventories	-	-	-	110	110
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 49,893</u>	<u>\$ 11,180</u>	<u>\$ 7,120</u>	<u>\$ 9,077</u>	<u>\$ 77,270</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts and Other Payables	\$ 6,729	\$ 1,276	\$ 94	\$ 161	\$ 8,260
Due to Other Funds	-	-	-	142	142
Unearned Revenue	35	-	5,147	901	6,083
Total Liabilities	<u>6,764</u>	<u>1,276</u>	<u>5,241</u>	<u>1,204</u>	<u>14,485</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	1,390	-	-	-	1,390
Unavailable Revenue - Loans and Grants Receivable	-	9,487	-	729	10,216
Deferred Inflows Related to Leases	260	-	-	-	260
Advance Property Tax Collections	160	-	-	-	160
Total Deferred Inflows of Resources	<u>1,810</u>	<u>9,487</u>	<u>-</u>	<u>729</u>	<u>12,026</u>
FUND BALANCES					
Nonspendable	-	-	-	147	147
Restricted	-	-	1,879	354	2,233
Committed	2,601	17,759	-	6,782	27,142
Assigned	5,843	-	-	-	5,843
Unassigned	32,875	(17,342)	-	(139)	15,394
Total Fund Balances	<u>41,319</u>	<u>417</u>	<u>1,879</u>	<u>7,144</u>	<u>50,759</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 49,893</u>	<u>\$ 11,180</u>	<u>\$ 7,120</u>	<u>\$ 9,077</u>	<u>\$ 77,270</u>

See accompanying Notes to Financial Statements.

**TOWN OF NEWINGTON, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024
(IN THOUSANDS)**

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 50,759

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

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

Governmental Capital Assets	281,720
Less: Accumulated Depreciation and Amortization	(120,698)
Net Capital Assets	161,022

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

Housing Loan Receivables	729
Property Tax Receivables Greater than 60 Days	1,020
Grant Receivables Greater than 60 Days	9,487
Interest Receivable on Property Taxes	370
Deferred Outflows Related to Pensions	5,745
Deferred Outflows Related to OPEB	1,373

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

7,278

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds Payable	(28,435)
Notes Payable	(3,900)
Deferred Amount in Refunding	69
Deferred Charge on Premium	(1,478)
Interest Payable on Bonds	(38)
Net OPEB Liability	(8,327)
Deferred Inflows Related to OPEB	(6,889)
Compensated Absences	(1,906)
Lease Liability	(857)
Subscription Based Information Technology Agreements	(25)
Deferred Inflows Related to Pensions	(2,680)
Net Pension Liability	(58,153)

Net Position of Governmental Activities as Reported on the Statement of Net Position (Exhibit I)

\$ 125,164

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	General	Capital Projects	Miscellaneous Grants Funds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 109,123	\$ -	\$ -	\$ -	\$ 109,123
Payment in Lieu of Taxes	3,895	-	-	-	3,895
Licenses, Fees, and Permits	533	-	-	18	551
Intergovernmental	34,933	2,375	1,665	6,227	45,200
Contributions	-	-	72	22	94
Rental	106	113	-	-	219
Income on Investments	2,752	64	5	387	3,208
Fines	26	-	-	-	26
Charges for Services	719	860	35	3,028	4,642
Other	18	28	343	912	1,301
Total Revenues	152,105	3,440	2,120	10,594	168,259
EXPENDITURES					
Current:					
General Government	6,447	-	5	5	6,457
Public Safety	9,641	-	148	23	9,812
Public Works	5,449	-	6	-	5,455
Community Planning and Development	586	-	-	4	590
Health and Community Services	1,252	-	252	-	1,504
Library	1,853	-	12	-	1,865
Parks and Recreation	1,908	-	-	1,689	3,597
Education	95,695	-	-	6,794	102,489
Miscellaneous	17,171	-	-	-	17,171
Capital Outlay	67	24,207	3,075	904	28,253
Debt Service	3,433	870	-	-	4,303
Total Expenditures	143,502	25,077	3,498	9,419	181,496
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,603	(21,637)	(1,378)	1,175	(13,237)
OTHER FINANCING SOURCES (USES)					
Transfers In	211	6,459	2	61	6,733
Transfers Out	(6,346)	-	-	(512)	(6,858)
Note Issued	-	4,023	-	-	4,023
Lease Proceeds	67	-	-	-	67
Total Other Financing Sources (Uses)	(6,068)	10,482	2	(451)	3,965
NET CHANGE IN FUND BALANCES	2,535	(11,155)	(1,376)	724	(9,272)
Fund Balances - Beginning of Year	38,784	11,572	3,255	6,420	60,031
FUND BALANCES - END OF YEAR	<u>\$ 41,319</u>	<u>\$ 417</u>	<u>\$ 1,879</u>	<u>\$ 7,144</u>	<u>\$ 50,759</u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ (9,272)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Capital Outlay	27,529
Depreciation and Amortization Expense	(7,350)

In the statement of activities, only the gain or 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 assets sold.

(32)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property Tax Interest and Lien Revenue - Accrual Basis Change	28
Property Tax Receivable - Accrual Basis Change	87
Housing Loan Receivable - Accrual Basis Change	(61)
LOCIP Reserve Receivable - Accrual Basis Change	(210)
Grants Receivable - Accrual Basis Change	4,158
Deferred Outflows Related to Pensions	(5,748)
Deferred Outflows Related to OPEB	(761)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Lease Proceeds	(67)
Bond Principal Payments	2,335
Note Issued	(4,023)
Note Principal Payments	698
Lease Principal Payments	865
Subscription Based Information Technology Payments	44

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

Compensated Absences	(55)
Accrued Interest	7
Deferred Inflow Related to OPEB	(2,185)
Change in Net OPEB Liability	3,866
Amortization of Premium	240
Amortization of Deferred Charge on Refunding	(38)
Deferred Inflow Related to Pensions	(2,631)
Change in Net Pension Liability	9,572

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(74)

Change in Net Position of Governmental Activities as Reported on the Statement of Activities (Exhibit II)	\$ 16,922
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See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2024
(IN THOUSANDS)

	Governmental Activities <u>Internal Service Funds</u>
ASSETS	
Current:	
Cash and Cash Equivalents	<u>\$ 8,483</u>
Total Assets	8,483
LIABILITIES	
Current:	
Accounts and Other Payables	100
Claims Payable	<u>1,105</u>
Total Liabilities	<u>1,205</u>
NET POSITION	
Unrestricted	<u><u>\$ 7,278</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 12,310
Miscellaneous	150
Total Operating Revenues	<u>12,460</u>
OPERATING EXPENSES	
Benefit Payments	11,792
Administration	412
Insurance	702
Casualty Loss	157
Total Operating Expenses	<u>13,063</u>
OPERATING INCOME	(603)
NONOPERATING REVENUE	
Interest on Investments	<u>404</u>
INCOME BEFORE TRANSFERS	(199)
TRANSFERS IN	<u>125</u>
CHANGE IN NET POSITION	(74)
Net Position - Beginning of Year	<u>7,352</u>
NET POSITION - END OF YEAR	<u><u>\$ 7,278</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Charges for Services and Other	\$ 12,460
Cash Paid to Vendors	<u>(13,166)</u>
Net Cash Provided by Operating Activities	(706)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	125
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	<u>404</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(177)
Cash and Cash Equivalents - Beginning of Year	<u>8,660</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 8,483</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income	\$ (603)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Change in Assets and Liabilities:	
Increase in Accounts and Other Payables	<u>(103)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (706)</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	Pension and Other Post Employment Benefit Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 5,749
Investments:	
Corporate Bonds	5,508
U.S. Government Securities	12,963
Common Stocks	67,578
Mutual Funds	28,700
Accounts Receivable	300
Total Assets	<u>120,798</u>
LIABILITIES	
Accounts Payable	18
Due to Other Funds	<u>279</u>
Total Liabilities	<u>297</u>
NET POSITION	
Restricted for Pension	107,967
Restricted for OPEB Benefits	<u>12,534</u>
Total Net Position	<u><u>\$ 120,501</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Pension and Other Post Employment Benefit Trust Funds
ADDITIONS:	
Contributions:	
Employer	\$ 8,815
Plan Members	765
Total Contributions	<u>9,580</u>
Investment Income:	
Net Depreciation in Fair Value of Investments	11,493
Interest and Dividends	3,601
Total Investment Income	<u>15,094</u>
Less: Investment Expense	<u>394</u>
Net Investment Income	<u>14,700</u>
Total Additions	24,280
DEDUCTIONS:	
Benefits	12,373
Administration	176
Total Deductions	<u>12,549</u>
CHANGE IN NET POSITION	11,731
Net Position - Beginning of Year	<u>108,770</u>
NET POSITION - END OF YEAR	<u><u>\$ 120,501</u></u>

See accompanying Notes to Financial Statements.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated on July 10, 1871. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

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

Fiduciary Component Units

The Town has established four single-employer Public Retirement Systems (PERS), one defined contribution plan and one postretirement health care benefits (OPEB) plan to provide retirement benefits and postretirement health care benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the Pension and OPEB plans and is required to make contributions to the pension and OPEB plans.

The financial statements of the fiduciary component units are reported as Pension and OPEB Trust funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

B. 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

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

C. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses, 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. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

General Fund

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Projects Fund

The Capital Projects Fund accounts for the construction and acquisition of major capital assets.

Miscellaneous Grants Fund

The Miscellaneous Grants Fund accounts for various state and federal grant programs administered by Town departments.

Additionally, the Town reports the following fund types:

Internal Service Funds

The Internal Service Funds account for the Town's health benefits programs.

Pension and Other Employee Benefit Trust Funds

The Pension and Other Employee Benefit Trust Funds account for the fiduciary activities of the Town's four defined benefits pension plans, one defined contribution plan and the Other Post-Employment Benefits (OPEB) Trust Fund, which accumulates resources for pension and health benefit payments to qualified Town employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the 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 property 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 funds are charges to customers for services. Operating expenses for the internal service funds include the cost of health benefits and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Deposits and Investments

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for collectibles. The property tax receivable allowance of \$94 is equal to 7.1% of outstanding property taxes at June 30, 2024.

The Town's property tax is levied each May on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Although taxes are levied in May, the legal right to attach property does not exist until July 1, and, as such, taxes are due and payable in two installments on July 1 and January 1 following the date of the Grand List. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through July 31 and are payable in one installment due January 1. It is the policy of the Town to record deferred revenue for property taxes receivable at June 30. Property taxes collected prior to June 30 that are applicable to the subsequent year's assessment are reported as a deferred inflow of resources. Taxes become overdue one month after the installment due date. Interest at the rate of 1.5% per month accrues on all overdue taxes. The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

F. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value at the date of donation.

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

Land, construction, and certain intangible assets are not depreciated or amortized. The intangible asset that is not amortized consists of a perpetual easement agreement and is recorded at fair value. In accordance with GASB Statement No. 51, intangible assets with indefinite useful lives are not subject to amortization. The other tangible and intangible assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 Years
Building Improvements	20 Years
Public Domain Infrastructure	40 Years
System Infrastructure	60 Years
Vehicles	8 Years
Office Equipment	5 Years
Computer Equipment	5 Years

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the lease term.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the subscription term.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows 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, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions and the net difference between project and actual earning on plan investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees), or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, over a systematic and rational method over a closed five-year period. No deferred outflows of resources affect the governmental fund financial statements in the current year.

I. Deferred Inflows of Resources

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, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows related to leases and advance property tax collections in the government-wide statement of net position and the governmental fund financial statements. In addition, the Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Inflows of Resources (Continued)

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from the following sources: property taxes, loans, and grants. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

J. Compensated Absences

Employees are paid by a prescribed formula for absence due to vacation or sickness. For eligible Town employees and Board of Education noncertified employees, sick time may be accumulated and paid upon death, retirement, or termination, up to certain limits. The Town does not recognize sick pay liability for Board of Education certified staff. The Town does not accrue vacation pay liability because employees are generally not allowed to carry vacation time over to the following year.

A special revenue fund, the Employee Leave Liability Fund, has been established to offset the Town's future liability for unused, accrued sick pay earned by Town employees in accordance with official personnel policies. The fund is used to pay employees who are entitled to cash payments for unused sick leave. The General Fund generally provides for the payment of compensated absences for active employees.

K. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

L. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Long-Term Obligations

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

N. Equity

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Equity (Continued)

Committed Fund Balance – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town Council). Amounts remain committed until action is taken by the Town Council (resolution) to remove or revise the limitations.

Assigned Fund Balance – This balance represents amounts constrained for the intent to be used for a specific purpose by the Town Council or Director of Finance, who have been delegated authority to assign amounts by the Town Charter.

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

O. 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 including disclosures of contingent assets and liabilities and reported revenues, expenses, and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data reported in the financial statements for the General Fund. Prior to March 16, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Two public hearings are held by the Town Council, at which taxpayer comments are obtained, and then the Town Council legally adopts the budget by a majority vote of all its members. If the Town Council fails to adopt a budget within ten days after holding its second public hearing, the Town Manager's budget becomes the Town budget.

- The Town Manager is authorized to transfer budgeted amounts within departments within any fund, except within the Board of Education. The Town Council, during the last six months of the year, may transfer any unencumbered appropriations between departments, except for the Board of Education. The Board of Education is responsible for establishing its own system of budgetary control and certification of the sufficiency of unexpended and unencumbered balance of appropriation. The Town Council may authorize additional appropriations from unappropriated and unencumbered General Fund balance up to \$375,000 (amount not rounded). Special appropriations between \$375,000 (amount not rounded) and 1.50% of the general fund appropriation shall require a Town ordinance, and special appropriations over 1.5% of general fund appropriation require voter approval. No more than 2 special appropriations may be authorized by the Town Council during a single fiscal year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund legally adopted budget.
- Except for encumbrance accounting, the on-behalf contributions from the State of Connecticut into the TRB Pension and OPEB plans, and some intergovernmental grant revenues, the budget is prepared on the modified accrual basis of accounting.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level for the General Fund.
- Budgeted amounts shown are as amended. There were additional appropriations from fund balance of \$19 during 2023-2024.

Generally, all unencumbered appropriations lapse at year-end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as committed or assigned fund balance, depending on the nature of restriction, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances outstanding at year-end are classified as restricted, committed, or assigned based on the restrictions on the underlying revenue source, in accounting with GAAP.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Fund Deficit

The State and Federal Grants fund a nonmajor special revenue funds, had a deficit of \$139 at June 30, 2024. This deficit will be funded when the town receives the grant revenue in a future period.

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

A. Deposits

Deposit Custodial Credit Risk

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$27,731 of the Town's bank balance of \$29,167 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 24,858
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the Town's Name	<u>2,873</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 27,731</u></u>

Cash Equivalents

At June 30, 2024, the Town's cash equivalents amounted to \$45,938. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard and Poor's</u>
State Short-Term Investment Fund (STIF)	AAA
Money Market Funds*	

* Not rated

STIF is an investment pool of high-quality, short-term money market instruments with an average maturity of less than 60 days. There were no limitations or restrictions on any withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The pool has a maturity of less than one year.

B. Investments

Investments as of June 30, 2024 in all funds consisted of \$120,638 as follows:

Investments:

General Fund:

Mutual Funds	\$ 2,420
Total General Fund	<u>2,420</u>

Special Revenue Fund:

Mutual Funds	3,469
Total Special Revenue Fund	<u>3,469</u>

Pension and OPEB Trust Funds:

Corporate Bonds	5,508
U.S. Government Securities	12,963
Common Stocks	67,578
Mutual Funds	<u>28,700</u>
Total Pension and OPEB Trust Funds	<u>114,749</u>

Total Investments	<u><u>\$ 120,638</u></u>
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TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More than 10
Interest-Bearing Investments:				
U.S. Government Securities	\$ 12,963	\$ 1,508	\$ 4,964	\$ 6,491
Corporate Bonds	5,508	1,128	3,486	894
Total	18,471	<u>\$ 2,636</u>	<u>\$ 8,450</u>	<u>\$ 7,385</u>
Other Investments:				
Common Stocks	67,578			
Mutual Funds	34,589			
Total Investments	<u>\$ 120,638</u>			

Credit Risk

Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the rating of investments for each debt type investment.

Average Rating	Corporate Bonds	U.S. Government Securities
Aaa	\$ 263	\$ 12,963
Aa3	94	-
A1	547	-
A2	348	-
A3	337	-
Baa1	848	-
Baa2	1,139	-
Baa3	987	-
Ba1	383	-
Ba2	25	-
Ba3	313	-
B1	180	-
B2	41	-
B3	3	-
Unrated	-	-
Total	<u>\$ 5,508</u>	<u>\$ 12,963</u>

Interest Rate Risk

The Town limits its maximum final stated maturities to 15 years unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Credit Risk – Investments

As indicated above, state statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as state statutes.

Concentration of Credit Risk

The Town does not have an investment policy that limits an investment in any one issuer in excess of 5% of the Town's total investment. The Town does not have any investments that are in excess of 5% in any one issuer at year-end.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2024, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town's name.

Fair Value Measurement

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2024:

	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 12,963	\$ -	\$ 12,963	\$ -
Corporate Bonds	5,508	63	5,445	-
Common Stock	67,578	67,578	-	-
Mutual Funds	34,589	34,589	-	-
Total Investments by Fair Value Level	<u>\$ 120,638</u>	<u>\$ 102,230</u>	<u>\$ 18,408</u>	<u>\$ -</u>

Mutual funds and common stock classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S. government securities and corporate bonds classified as Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 4 RECEIVABLES

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

	General	Capital Projects	Miscellaneous Grants Fund	Nonmajor and Other Funds	Total
Receivables:					
Taxes	\$ 1,326	\$ -	\$ -	\$ -	\$ 1,326
Interest on Taxes	370	-	-	-	370
Accounts	182	9,497	120	1,036	10,835
Leases	303	-	-	-	303
Intergovernmental	-	-	-	219	219
Gross Receivables	<u>2,181</u>	<u>9,497</u>	<u>120</u>	<u>1,255</u>	<u>13,053</u>
Less: Allowance for Uncollectibles	<u>94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94</u>
Total Receivables, Net	<u>\$ 2,087</u>	<u>\$ 9,497</u>	<u>\$ 120</u>	<u>\$ 1,255</u>	<u>\$ 12,959</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance (1)	Increases	Decreases and Adjustments	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated and Amortized:				
Land	\$ 7,847	\$ -	\$ -	\$ 7,847
Construction in Progress	15,014	16,132	-	31,146
Intangible Assets	2,770	-	-	2,770
Total Capital Assets Not Being Depreciated	25,631	16,132	-	41,763
Capital Assets Being Depreciated and Amortized:				
Buildings	108,659	1,034	-	109,693
Improvements other than Buildings	13,061	954	(300)	13,715
Furniture, Fixtures, and Equipment	45,344	6,069	(494)	50,919
Infrastructure	58,779	3,267	-	62,046
Total Capital Assets Being Depreciated and Amortized	225,843	11,324	(794)	236,373
Less: Accumulated Depreciation and Amortization for:				
Buildings	(41,108)	(2,128)	-	(43,236)
Improvements other than Buildings	(6,778)	(614)	272	(7,120)
Furniture, Fixtures, and Equipment	(31,447)	(2,811)	490	(33,768)
Infrastructure	(33,000)	(875)	-	(33,875)
Total Accumulated Depreciation	(112,333)	(6,428)	762	(117,999)
Total Capital Assets Being Depreciated and Amortized, Net	113,510	4,896	(32)	118,374
Right-to-Use Lease Asset:				
Equipment	3,359	73	-	3,432
Less Accumulated Amortization				
Equipment	(1,720)	(863)	-	(2,583)
Total Right-to-Use Lease Assets, Net	1,639	(790)	-	849
Subscription Based Information Technology Assets:				
Subscription Based Information Technology	152	-	-	152
Less Accumulated Amortization				
Subscription Based Information Technology	(57)	(59)	-	(116)
Total Subscription Based Information Technology Arrangement Assets, Net	95	(59)	-	36
Governmental Activities Capital Assets, Net	<u>\$ 140,875</u>	<u>\$ 20,179</u>	<u>\$ (32)</u>	<u>\$ 161,022</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense was charged to functions/programs as follows:

Governmental Activities:

General Government	\$ 850
Public Safety	1,172
Public Works	1,246
Community Planning and Development	236
Health and Community Services	117
Library	106
Parks and Recreation	475
Board of Education	3,148
Total Depreciation and Amortization Expense	<u>\$ 7,350</u>

Construction Projects

The Town has 65 active construction projects as of June 30, 2024. The projects include various school and Town improvements project authorizations. At year-end, the Town's appropriation balances are as follows:

Project	Cumulative Authorizations	Spent-to-Date	Remaining Commitment
Town Hall/Community Center Bldg & Improvements	\$ 34,494	\$ 34,474	\$ 20
Anna Reynolds Renovate as New	35,550	34,137	1,413
Road Reconstruction	7,502	6,736	766
Public Works Equip. Res.	6,824	5,939	885
Public Safety Equip. Res.	6,029	5,812	217
Town Buildings Roof Replacement	3,336	3,103	233
OCR Compliance	2,781	2,558	223
Park, Pool & Playground Improv.	2,368	2,329	39
Parks+Grounds Equip. Res.(incl.Cem.)	2,327	2,126	201
Lease Proceeds	2,236	2,224	12
Technology	1,722	1,692	30
General Property Improvements	1,686	1,521	165
Radio Lease	1,621	887	734
Sidewalk/Pavers/Curbs M&R R&R	1,406	1,084	322
Districtwide HVAC	1,348	1,253	95
Drainage Maintenance	1,324	1,202	122
Tax Revaluation Reserve 2001	1,288	1,163	125
General Government Equip. Res.	1,107	928	179
Other Various Projects	38,045	31,254	6,791
Total	<u>\$ 152,994</u>	<u>\$ 140,422</u>	<u>\$ 12,572</u>

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 6 INTERFUND ACCOUNTS

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions. A summary of interfund balances as of June 30, 2024 is presented below:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 142
	Pension and Other Post Employment Benefit Trust Fund	279
		<u>421</u>
Total		<u>\$ 421</u>

Interfund transfers:

	Transfer In				
	General	Capital Projects	Miscellaneous Grants Fund	Nonmajor Governmental	Internal Service
Transfers Out:					
General Fund	\$ -	\$ 6,158	\$ 2	\$ 61	\$ 125
Nonmajor Governmental	211	301	-	-	-
Total Transfers In	<u>\$ 211</u>	<u>\$ 6,459</u>	<u>\$ 2</u>	<u>\$ 61</u>	<u>\$ 125</u>
					<u>\$ 6,858</u>

Transfers are used to move General Fund revenues to finance various capital projects in accordance with budgetary authorizations, as well as to transfer amounts provided as subsidies or matching funds for various grant programs.

NOTE 7 LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 30,770	\$ -	\$ 2,335	\$ 28,435	\$ 1,885
Premiums	1,718	-	240	1,478	36
Total Bonds Payable	<u>32,488</u>	<u>-</u>	<u>2,575</u>	<u>29,913</u>	<u>1,921</u>
Compensated Absences	1,851	55	-	1,906	860
Lease Liability	1,655	67	865	857	809
Subscription Liability	69	-	44	25	25
Net OPEB Liability	12,193	-	3,866	8,327	-
Net Pension Liability	67,725	-	9,572	58,153	-
Notes Payable - Direct Borrowing	575	4,023	698	3,900	707
Total Governmental Activities Long-Term Liabilities	<u>\$ 116,556</u>	<u>\$ 4,145</u>	<u>\$ 17,620</u>	<u>\$ 103,081</u>	<u>\$ 4,322</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 LONG-TERM DEBT (CONTINUED)

For the governmental activities, compensated absences, net pension liability, and net OPEB liability are generally liquidated by the General Fund.

A schedule of bonds and serial notes outstanding at June 30, 2024 is presented below:

Description	Date of Issue	Amount of Interest Rate (%)	Balance Original Issue	Outstanding June 30, 2024
General Purpose Bonds:				
Police Station	02/13	1.0-4.0%	\$ 8,700	\$ 185
Town Hall/Community Center	06/19	3.0-5.0%	6,750	5,062
Town Hall/Community Center	06/20	2.0-5.0%	11,250	9,000
School:				
Board of Education Offices	06/19	3.0-5.0%	2,250	1,688
Board of Education Offices	06/20	2.0-5.0%	3,750	3,000
Anna Reynolds	06/23	4.0-5.0%	10,000	9,500
Total				<u>\$ 28,435</u>

The following is a schedule of bond maturities as of June 30, 2024:

Fiscal Year Ending June 30.	Principal	Interest	Total
2025	\$ 1,885	\$ 1,007	\$ 2,892
2026	1,700	919	2,619
2027	1,700	833	2,533
2028	1,700	760	2,460
2029	1,700	688	2,388
2030-2034	8,500	2,509	11,009
2035-2039	8,500	1,229	9,729
2040-2044	2,750	217	2,967
Total	<u>\$ 28,435</u>	<u>\$ 8,162</u>	<u>\$ 36,597</u>

Debt Limit

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

Category	Debt Limit	Net Indebtedness	Balance
General Purpose	\$ 241,308	\$ 22,948	\$ 218,360
Schools	482,616	27,437	455,179
Sewers	402,180	77,606	324,574
Urban Renewal	348,556	-	348,556
Pension Deficit	321,744	-	321,744

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$751 million (amount not rounded). All long-term debt obligations are retired through General Fund appropriations. At June 30, 2024, the Town had \$4,800 of authorized, unissued bonds for the Town Hall and Community Center Project and \$13,250 for school projects.

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 7 LONG-TERM DEBT (CONTINUED)

Debt Limit (Continued)

Indebtedness, in accordance with state statutes, includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project or bond anticipation notes issued and outstanding. Sewer indebtedness includes overlapping debt of the Metropolitan District

As a member of the Metropolitan District (a quasi-municipal corporation that provides water supply and sewerage collection and disposal facilities for members), the Town is contingently liable for \$77,606 or 8.98% of the debt of the Metropolitan District.

Leases Payable

The Town leases equipment for various terms under long-term, noncancelable, lease agreements. These leases expire at various dates through 2029.

The future minimum lease payments under lease agreements as of June 30, 2024 were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 809	\$ 5
2026	15	1
2027	15	1
2028	16	1
2029	2	-
Total:	<u>\$ 857</u>	<u>\$ 8</u>

Notes Payable – Direct Borrowing

The Town has direct borrowing notes outstanding. The notes were issued to finance the purchase of equipment. The annual debt service requirements of notes payable are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 707	\$ 99
2026	724	82
2027	656	65
2028	588	49
2029-2033	1,225	50
Total	<u>\$ 3,900</u>	<u>\$ 345</u>

Subscription-Based Information Technology Arrangements

The Town has entered into subscription-based information technology arrangements (SBITAs) for various software. The SBITA arrangements expire at various dates through 2025 and provide for renewal options.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 LONG-TERM DEBT (CONTINUED)

Subscription-Based Information Technology Arrangements (Continued)

Total future minimum payments under SBITA arrangements are as follows:

<u>Fiscal Year Ending June 30,</u>	Principal	Interest
2025	\$ 25	\$ 1
Total	<u>\$ 25</u>	<u>\$ 1</u>

Subscription Based Information Technology Arrangement Assets acquired through outstanding contracts are shown below.

Subscription Based Information Technology Arrangements	152
Less: Accumulated Amortization	<u>(116)</u>
Total	<u>36</u>

NOTE 8 RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks but has chosen to retain the risks for employee health and medical claims. The Health Insurance Internal Service Fund is utilized to report the self-insurance activity. Anthem Blue Cross/Blue Shield administers the plan, for which the Town pays a fee. The General Fund (Town and Board of Education) and Cafeteria Fund (Special Revenue Fund) contribute based on Anthem Blue Cross/Blue Shield estimates made using the Town's historical data. The Town covers all claims up to \$175,000 (amount not rounded) per participant per year with an individual stop-loss policy covering amounts exceeding the limit. In addition, the Town has an aggregate stop-loss policy that would cover claims exceeding 120% of the total estimated claims for the plan year. Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years.

The claims liability of \$1,105 reported in the Health Benefits Internal Service Fund at June 30, 2024 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were:

<u>Year Ending</u>	<u>Liability July 1,</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
2022-2023	\$ 1,178	\$ 10,112	\$ 10,225	\$ 1,065
2023-2024	1,065	11,792	11,752	1,105

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 9 FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2024 are as follows:

	General Fund	Capital Projects Fund	Miscellaneous Grants Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 110	\$ 110
Permanent Funds	-	-	-	37	37
Total Nonspendable	-	-	-	147	147
Restricted for:					
Grants	-	-	1,879	353	2,232
Permanent Funds	-	-	-	1	1
Total Restricted	-	-	1,879	354	2,233
Committed to:					
Education Nonlapsing	2,601	-	-	-	2,601
Technology	-	2,397	-	-	2,397
Capital and Nonrecurring Projects	-	12,676	-	-	12,676
Public Schools	-	2,130	-	-	2,130
Land Acquisition	-	172	-	-	172
Parks and Recreation	-	384	-	-	384
Education	-	-	-	2,386	2,386
Cemetery Maintenance	-	-	-	2,268	2,268
Public Safety Activities	-	-	-	54	54
Recreation Programs	-	-	-	1,000	1,000
Employee Leave Liability	-	-	-	645	645
Volunteer Ambulance	-	-	-	221	221
Volunteer Firefighters	-	-	-	173	173
General Government	-	-	-	35	35
Total Committed	2,601	17,759	-	6,782	27,142
Assigned to:					
Subsequent Year's Budget	3,325	-	-	-	3,325
General Government - Encumbrances	150	-	-	-	150
Public Safety - Encumbrances	46	-	-	-	46
Public Works - Encumbrances	16	-	-	-	16
Health and Community Services - Encumbrances	1	-	-	-	1
Education - Encumbrances	2,305	-	-	-	2,305
Total Assigned	5,843	-	-	-	5,843
Unassigned	32,875	(17,342)	-	(139)	15,394
Total Fund Balances	<u>\$ 41,319</u>	<u>\$ 417</u>	<u>\$ 1,879</u>	<u>\$ 7,144</u>	<u>\$ 50,759</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$2,518.

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Defined Benefit Plans

A. Plan Description and Benefits Provided

The Town maintains four single-employer, contributory (except for Volunteer Firefighters' Plan), defined benefit pension plans. The plans cover substantially all full-time employees except certified personnel at the Board of Education. The four pension plans are part of the Town's financial reporting entity and are accounted for in the Pension Trust Funds: Municipal Employees', Police Officers', Administrative Employees', and Volunteer Firefighters' Plans. Each plan provides retirement, disability, and death benefits to plan members and beneficiaries. The Charter provides the authority to establish and amend benefit provisions to the Town Council. Stand-alone financial statements are not issued. Management of the plans rests with the Town Manager and Director of Finance. Policy oversight is provided by The Employee Insurance and Pension Benefits Committee (EIPBC), which consists of 11 members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education, and two alternate members.

Municipal Employees' Plan

All bargaining unit employees are eligible to participate in the plan except elected officials, police officers and certified professional employees of the Newington Board of Education. Effective January 1, 2007, the plan was closed to all new hires. Benefits vest after 5 years of continuous service or 15 years of aggregate service. The normal retirement is the earlier of age 63 or completion of 25 years of service.

Pension benefits for normal retirement under the Municipal Employees' Plan are based on the average rate of earnings during the three years for which the participants' earnings were at their highest level (final earnings). The participants' yearly pension amount will be equal to 1.7% of the final earnings multiplied by the number of years of aggregate service through July 1, 1990 plus 2% of final earnings times years of aggregate service since July 1, 1990. The plan permits early retirement for participants at age 55 with 5 years of continuous service or 15 years of aggregate service.

Police Officers' Plan

All Police Officers, Canine Control officers and Public Safety Dispatchers of the Newington Police Department are eligible to participate in the plan. Benefits vest after 10 years of full-time service. Normal retirement is the earlier of age 50 or 20 years of service. For employees hired after October 1, 2013, normal retirement is the later of age 50 or 25 years of service.

Pension benefits for normal retirement under the Police Officers' Plan are based on the average rate of earnings during the three years of which the participants' earnings were at their highest level (final earnings). The participants' yearly pension benefit will be equal to 2.5% of the final earnings multiplied by the years of service. For employees hired after January 1, 2007, the benefit is capped at 70% of base compensation in the year prior to retirement. The plan permits early retirement for participants at age 45 with 10 years of service (or 20 years of service if hired after January 1, 2007) with benefits reduced by the appropriate early retirement adjustment.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

A. Plan Description and Benefits Provided (Continued)

Administrative Employees' Plan

All administrative or technical employees not covered under the Municipal Employees' Plan or Police Officers' Plan are eligible under the Administrative Employees' Plan. Effective January 1, 1997, the plan was closed to all new hires. Benefits vest after 5 years of continuous service or 15 years of aggregate service. Normal retirement is the earlier of age 65 or 30 years of service.

Pension benefits for normal retirement under the Administrative Employees' Plan are based on the rate of earnings for the highest average earnings received in any three consecutive years. The participants' yearly pension amount will be equal to 1.75% of final earnings up to \$10,000 (amount not rounded) plus 2% of final earnings in excess of \$10,000 multiplied by the number of years of aggregate service. The plan permits early retirement for participants at age 55 who have 10 years of continuous service or 15 years of aggregate service. Benefits for early retirement are computed based on the normal retirement benefit and adjusted by the appropriate early retirement adjustment factor.

Volunteer Firefighters' Plan (amounts not rounded)

Effective July 1, 1994, accrued benefits for eligible members of the Newington Volunteer Fire Department are frozen for all but 17 participants. Ongoing benefits are provided through a new Volunteer Firefighters' Defined Contribution Plan. Benefits vest after 10 years of service. Normal retirement age is 60.

The 17 continuing participants receive benefit enhancements that will be phased in over a five-year period. Monthly pension benefit amount for normal retirement for those who continue in this Volunteer Firefighters' Plan is equal to \$120 based on the completion of 10 years of credited service plus \$7.50 for each additional year of service effective July 1, 1999 (increasing \$.50 each July 1, maximum to \$12.00). There are also percentage increases in the benefits if the participant is an officer of the Volunteer Fire Department for at least five years. The pension plan is closed to new entrants.

As of July 1, 2023, for the Municipal, Police, Administrative, and Firefighters, the plan membership of defined benefit plans consisted of the following:

	Municipal	Police	Administrative	Firefighters
Active Participants	46	49	3	21
Terminated Participants	4	7	1	35
Retirees and Beneficiaries	192	87	30	39
Total	<u>242</u>	<u>143</u>	<u>34</u>	<u>95</u>

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The four Pension Trust Funds are accounted for using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized when earned and gains and losses on sales or exchanges of investments are recognized on the transaction date. Unrealized gains and losses due to appreciation and depreciation of plan assets are also recognized at fiscal year-end.

C. Funding Policy

The contribution requirements of plan members, with the exception of the Firefighters' Plan which is noncontributory, are established and may be amended by the Town Council, subject to union contract negotiation. If an employee leaves covered employment or participation or dies before meeting the vesting requirements, accumulated employee contributions and interest thereon are refunded. The Town is required to contribute the amount necessary to finance the benefits for its employees, net of employee contributions, as determined by its actuaries. In conjunction with the application of GASB 68, the Town Council adopted a plan for future contributions in May of 2016. Investment services and actuarial valuations are paid by the individual plans. Other costs of administering the plans are paid by the Town. The employees' required contribution rates and the Town's current rate of annual covered payroll is presented in the following table:

	<u>Municipal</u>	<u>Police</u>	<u>Administrative</u>
Employee Required Contribution	4.50%	8.50%	4.50%
Town Current Rate	68.77%	47.24%	293.29%

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

D. Pension Trust Funds

The Town maintains various pension trust funds to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits at June 30, 2024 and the changes in net position for the year then ended.

Schedule of Plan Net Position						
	Municipal Employee's Plan	Police Officer's Plan	Administrative Employees' Plan	Volunteer Firefighters' Plans		Total
				Defined Benefit	Defined Contribution	
Assets:						
Cash and Equivalents	\$ 904	\$ 1,077	\$ 140	\$ 5	\$ 1,898	\$ 4,024
Investments	30,340	65,520	5,312	935	1,815	103,922
Accounts Receivable	100	100	100	-	-	300
Total Assets	31,344	66,697	5,552	940	3,713	108,246
Liabilities:						
Due to Other Funds	-	-	-	279	-	279
Total Liabilities	-	-	-	279	-	279
Net Position Restricted for Pension Benefits	\$ 31,344	\$ 66,697	\$ 5,552	\$ 661	\$ 3,713	\$ 107,967

Schedule of Changes in Plan Net Position						
	Municipal Employees' Plan	Police Officers' Plan	Administrative Employees' Plan	Volunteer Firefighters' Plans		Total Pension Trust Funds
				Defined Benefit	Defined Contribution	
Additions:						
Contributions:						
Employer	\$ 2,689	\$ 3,345	\$ 854	\$ 68	\$ 108	\$ 7,064
Plan Members	157	581	11	-	16	765
Total Contributions	2,846	3,926	865	68	124	7,829
Investment Income:						
Net Depreciation						
in Fair Value of Investments	2,981	6,338	491	57	528	10,395
Interest and Dividends	988	2,022	208	40	-	3,258
Total Investment Income (Loss)	3,969	8,360	699	97	528	13,653
Less: Investment Expenses	107	225	19	2	-	353
Net Investment Income (Loss)	3,862	8,135	680	95	528	13,300
Total Additions	6,708	12,061	1,545	163	652	21,129
Deductions:						
Benefits	3,693	5,434	1,065	100	218	10,510
Administration	31	45	23	14	18	131
Total Deductions	3,724	5,479	1,088	114	236	10,641
Change in Net Position	2,984	6,582	457	49	416	10,488
Net Position - Beginning of Year	28,360	60,115	5,095	612	3,297	97,479
Net Position - End of Year	\$ 31,344	\$ 66,697	\$ 5,552	\$ 661	\$ 3,713	\$ 107,967

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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

E. Investments

Investment Policy

The Municipal, Police, and Administrative pension plans' policy in regard to the allocation of invested assets is established and may be amended by the EIPBC by a majority vote of its members. The Firefighters pension plan allocation of invested assets is amended by the Director of Finance in conjunction with the Fire Commissioners. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the adopted asset allocation policy for the year ended June 30, 2024:

Asset Class	Municipal Employees Target Allocation	Police Target Allocation	Administrative Employees Target Allocation	Firefighters Target Allocation
U.S. Core Fixed Income	35.0 %	35.0 %	35.0 %	- %
U.S. Short Bonds	-	-	-	25.0
U.S. Long Bonds	-	-	-	25.0
Global Bonds	5.0	5.0	5.0	18.0
Total Fixed Income	40.0	40.0	40.0	68.0
U.S. Large Caps	34.0	34.0	34.0	14.0
U.S. Small Caps	10.5	10.5	10.5	4.0
Global Equity	15.5	15.5	15.5	
U.S. Mid Caps	-	-	-	4.0
Foreign Developed Equity	-	-	-	7.0
Emerging Markets	-	-	-	3.0
Total Equity	60.0	60.0	60.0	32.0
Total Allocation	100 %	100 %	100 %	100 %

The plans did not have any concentrations over 5% of plan net position that warranted disclosure.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.36% for Municipal Employees, 13.44% for Police, 12.92% for Administrative Employees, and 16.05% for Firefighters, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

F. Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2024, were as follows:

	Municipal Employees	Police	Administrative Employees	Firefighters
Total Pension Liability	\$ 55,194	\$ 93,237	\$ 12,718	\$ 1,258
Plan Fiduciary Net Position	31,344	66,697	5,552	661
Net Pension Liability	<u>\$ 23,850</u>	<u>\$ 26,540</u>	<u>\$ 7,166</u>	<u>\$ 597</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.79%	71.53%	43.65%	52.54%
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The Town's net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 for Municipal Employees, Police, Administrative Employees, and Firefighters.

Actuarial Assumptions

The total pension liability for Administrative Employees, Municipal Employees, and Police was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.125%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale.

The total pension liability for Firefighters was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	N/A
Investment Rate of Return	5.50%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubS-2010 Mortality with generational projections per MP-2021 Ultimate Scale.

The plans have not had a formal actuarial experience study performed.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

F. Net Pension Liability of the Town (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2024. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Municipal Employees Long-Term Expected Real Rate of Return	Police Long- Term Expected Real Rate of Return	Administrative Employees Long-Term Expected Real Rate of Return	Firefighters Long-Term Expected Real Rate of Return
Fixed:				
U.S. Core Fixed Income	1.93 %	1.93 %	1.93 %	- %
U.S. Short Bonds	-	-	-	1.16
U.S. Long Bonds	-	-	-	2.28
Global Bonds	(0.10)	(0.10)	(0.10)	(0.10)
Equity:				
U.S. Large Caps	3.87	3.87	3.87	3.87
U.S. Small	4.06	4.06	4.06	4.54
Global U.S. Equity	5.75	5.75	5.75	-
U.S. Mid Caps	-	-	-	3.95
Foreign Developed Equity	-	-	-	5.07
Emerging Markets	-	-	-	6.18

Discount Rate

The discount rate used to measure the total pension liability was 6.125% for Municipal Employees, Administrative Employees, and Police. The discount rate used to measure the total pension liability as of June 30, 2024 was 5.50% for Firefighters, and 6.125% for the prior year. 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.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

G. Changes in Net Pension Liability

	Municipal Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 56,027	\$ 28,360	\$ 27,667
Changes for the Year:			
Service Cost	357	-	357
Interest on Total Pension Liability	3,342	-	3,342
Differences Between Expected and Actual Experience	(839)	-	(839)
Employer Contributions	-	2,689	(2,689)
Member Contributions	-	157	(157)
Net Investment Income	-	3,862	(3,862)
Benefit Payments, Including Refund to Employee Contributions	(3,693)	(3,693)	-
Administrative Expenses	-	(31)	31
Net Changes	(833)	2,984	(3,817)
Balances - June 30, 2024	\$ 55,194	\$ 31,344	\$ 23,850

	Police Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 91,568	\$ 60,115	\$ 31,453
Changes for the Year:			
Service Cost	1,264	-	1,264
Interest on Total Pension Liability	5,522	-	5,522
Differences Between Expected and Actual Experience	317	-	317
Changes in Assumptions	-	-	-
Employer Contributions	-	3,345	(3,345)
Member Contributions	-	581	(581)
Net Investment Income	-	8,135	(8,135)
Benefit Payments, Including Refund to Employee Contributions	(5,434)	(5,434)	-
Administrative Expenses	-	(45)	45
Net Changes	1,669	6,582	(4,913)
Balances - June 30, 2024	\$ 93,237	\$ 66,697	\$ 26,540

TOWN OF NEWINGTON, CONNECTICUT
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

G. Changes in Net Pension Liability (Continued)

	Administrative Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2023	\$ 13,022	\$ 5,095	\$ 7,927
Changes for the Year:			
Service Cost	34	-	34
Interest on Total Pension Liability	768	-	768
Differences Between Expected and Actual Experience	(41)	-	(41)
Employer Contributions	-	854	(854)
Member Contributions	-	11	(11)
Net Investment Income	-	680	(680)
Benefit Payments, Including Refund to Employee Contributions	(1,065)	(1,065)	-
Administrative Expenses	-	(23)	23
Net Changes	(304)	457	(761)
Balances - June 30, 2024	\$ 12,718	\$ 5,552	\$ 7,166

	Volunteer Firefighters' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances - July 1, 2023	\$ 1,290	\$ 612	\$ 678
Changes for the Year:			
Interest on Total Pension Liability	68	-	68
Employer Contributions	-	68	(68)
Net Investment Income	-	95	(95)
Benefit Payments, Including Refund to Employee Contributions	(100)	(100)	-
Administrative Expenses	-	(14)	14
Net Changes	(32)	49	(81)
Balances - June 30, 2024	\$ 1,258	\$ 661	\$ 597

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.125% for Municipal Employees, Police, and Administrative Employees, as well as what the Town's 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:

	1% Decrease 5.125%	Current Discount Rate 6.125%	1% Increase 7.125%
Municipal Employees' Net Pension Liability	\$ 29,282	\$ 23,850	\$ 19,175
Police Net Pension Liability	39,492	26,540	16,025
Administrative Employees' Net Pension Liability	8,343	7,166	6,154

The following presents the net pension liability of the Firefighters' Plan, calculated using the discount rate of 5.50% as well as what the Town's 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:

	1% Decrease 4.50%	Current Discount Rate 5.50%	1% Increase 6.50%
Firefighters Net Pension Liability	\$ 710	\$ 597	\$ 501

I. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the Town recognized pension expense of \$1,237, \$4,048, \$432, and \$47 for Municipal, Police, Administrative, and Fire employees, respectively, for a total of \$5,764. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources				
	Municipal Employees' Pension Plan	Police Retirement Plan	Administrative Employees' Pension Plan	Volunteer Firefighters' Pension Plan	Total
Differences Between Expected and Actual Experience	\$ -	\$ 2,018	\$ -	\$ -	\$ 2,018
Changes of Assumptions	-	3,727	-	-	3,727
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	-	-	-	-
Total	\$ -	\$ 5,745	\$ -	\$ -	\$ 5,745

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Benefit Plans (Continued)

I. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Deferred Inflows of Resources				
	Municipal Employees' Pension Plan	Police Retirement Plan	Administrative Employees' Pension Plan	Volunteer Firefighters' Pension Plan	Total
Differences Between Expected and Actual Experience	\$ 76	\$ 36	\$ -	\$ -	\$ 112
Changes of Assumptions	-	-	-	-	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	763	1,657	121	27	2,568
Total	<u>\$ 839</u>	<u>\$ 1,693</u>	<u>\$ 121</u>	<u>\$ 27</u>	<u>\$ 2,680</u>

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

Year Ending June 30,	Municipal Employees' Pension Plan	Police Retirement Plan	Administrative Employees' Pension Plan	Volunteer Firefighters' Pension Plan	Total
2025	\$ (353)	\$ 1,164	\$ (56)	\$ (8)	\$ 747
2026	644	2,986	131	14	3,775
2027	(700)	20	(121)	(20)	(821)
2028	(430)	(244)	(75)	(12)	(761)
2029	-	111	-	-	111
Thereafter	-	14	-	-	14

J. Payable to the Pension Plan

At June 30, 2024, the Town had no outstanding contributions to the pension plan required for the year ended June 30, 2024.

Police Retirement Plan Deferred Retirement Option Plan (DROP)

- A. An agreement was signed on January 18, 2023 to establish a drop plan for the Police Union. This Deferred Retirement Option Plan (DROP) will be eligible to employees / participants who are, and remain, in good standings as determined by the Chief of Police, have no current discipline / internal investigations and have a passing evaluation. An employee / participant, who is a participant of the Police Pension Plan for full-time employees of the Police Department, upon reaching any Normal Retirement date may elect the DROP retirement option at any time. The DROP Period is defined as the time after the participant has elected the DROP, commencing on the date the first amount is credited to the DROP recordkeeping account through the date that the employee / participant separates from Town Service. The DROP Period shall be one (1) to five (5) years in length. No DROP Period shall extend beyond thirty (30) years of credited service. The DROP Plan shall be open for new participants until the expiration of the current CBA, June 30, 2026, at which time the continuation of the DROP Plan will be subject to negotiations. As of June 30, 2023, there were (4) three officers in the Drop Plan will a total balance of \$511.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Volunteer Firefighters – Defined Contribution Plan (Amounts Not Rounded)

- A. In addition to the defined benefit plan described above, the Town provides a defined contribution plan to certain volunteer firefighters, which is administered by the three fire commissioners, the Town Manager and the Director of Finance. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Most current active and all new and future members of volunteer firefighters can only participate in this plan. Members are 100% vested after 10 years of service. Contributions range from \$385 per year for members with less than 6 years of service to \$805 per year for members with more than 35 years of service. The firefighters are not required to contribute to the plan; however, they can elect to defer a stipend of \$2,000. Stipend contributions for 2023-2024 amounted to \$16,000. Plan provisions and contribution requirements are established and may be amended by the Town Council.

The Town's contribution for 2023-2024, computed in accordance with plan requirements, amounted to \$108,450. At June 30, 2024, there were 157 members of the plan.

Connecticut Teachers Retirement System – Pension

A. Plan Description

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

B. Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the three years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service with reduced benefit amounts.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions (Continued)

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% 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.

C. Contributions

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 approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

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

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, 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.

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$12,661 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate share of the Net Pension Liability Associated with the Town	136,453
Total	<u>\$ 136,453</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the Town recognized pension expense and revenue of \$13,065 in Exhibit II.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2010.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

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% and a maximum of 5% 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% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

Asset Class	Expected Return	Target Allocation
Global Equity	6.80%	37.00%
Public Credit	2.90	2.00
Core Fixed Income	0.40	13.00
Liquidity Fund	-0.40	1.00
Risk Mitigation	0.10	5.00
Private Equity	11.20	15.00
Private Credit	6.10	10.00
Real Estate	6.20	10.00
Infrastructure and Natural Resources	7.70	7.00
Total		<u>100.00%</u>

F. Discount Rate

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS

Other Postemployment Benefits Trust

A. Plan Description (Amounts Not Rounded)

The Town provides post-employment benefits for Police Department, Teachers, and certain other retirees. This benefit is provided per various bargaining agreements. The Town pays for 100% of retiree and spouse costs for Police and 75% of retiree costs for Town and Board of Education administrators. The Town is required to provide medical, dental and life insurance to certain retired police officers. The Town is also required to provide medical and dental insurance to certain other retirees until the retirees reach the age of 65 or unless covered elsewhere. The post-employment benefits plan is a single-employer defined benefit health care plan administered by the Town. The post-employment benefits plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Post-Employment Benefits Trust Fund. The Town does not issue a separate stand-alone financial statement for this program.

Management of the post-employment benefits plan is vested with the Town Manager and Director of Finance. Policy oversight is provided by the Employee Insurance and Pension Benefits Committee, which consists of eleven members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education, and two alternate members.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits Trust (Continued)

A. Plan Description (Amounts Not Rounded)

At July 1, 2023, plan membership consisted of the following:

Active Employees	677
Retired Employees	110
Spouses of Retirees	13
Beneficiaries	2
Total	<u>802</u>

B. Funding Policy and Benefits Provided

The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with post-employment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The annual actuarially determined contribution payment is transferred into this account annually from the General Fund and budgeted as part of the budgeting process, which is approved by the Town Council.

The Town's funding strategy for post-employment obligations are based upon characteristics of benefits on three distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

- AFSCME Board of Education and Town employees are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 63 or completion of 25 years of service. Early retirement is age 55, and 5 years of continuous service or 15 years of aggregate service. Coverage is pre-65 only. Post-65 non-Medicare eligible retirees can continue coverage at their own expense.
- Police officers are eligible for retiree health care coverage until age 65 upon attainment of normal or early retirement. Normal retirement is the earlier of age 50 or completion of 20 years of service. Early retirement is age 45 and 10 years of continuous service. For officers hired on or after January 1, 2007, normal retirement is the completion of 25 years of service regardless of age and an officer retiring prior to normal retirement shall not be eligible for retiree health care benefits.
- Per state statute, any Teacher and School Certified Administrator hired prior to March 1986 that does not qualify for Medicare is eligible for retiree health coverage for life, at the earlier of age 55 with 20 years of service or 25 years of service. Those qualifying for Medicare are allowed to remain on the health insurance plan until age 65.
- Surviving spouses of retired teachers and nonteachers at the school are allowed to remain on the plan.
- Surviving spouses of retirees and actives eligible to retire are allowed to remain on the plan.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits Trust (Continued)

C. Investments

Investment Policy

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by the Employee Insurance and Pension Benefits Committee by a majority vote of its members. It is the policy of the Employee Insurance and Pension Benefits Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Employee Insurance and Pension Benefits Committee's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.64%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2024. The components of the net OPEB liability of the Town at June 30, 2024, were as follows:

Total OPEB Liability	\$ 20,861
Plan Fiduciary Net Position	12,534
Net OPEB Liability	<u>\$ 8,327</u>

Plan Fiduciary Net Position as a	
Percentage of the Total OPEB Liability	60.08%

Actuarial Assumptions

The total OPEB liability at June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary Increases	Graded by Age for Teachers and Administrators; 3.25% for all Others
Investment Rate of Return	6.25%
Health Care Cost Trend Rate	6.70%-4.00% Over 50 Years

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits Trust (Continued)

D. Net OPEB Liability of the Town (Continued)

Actuarial Assumptions (Continued)

Mortality rates for healthy teachers were based on the PubT-2010 Mortality Table for Employees and Healthy Annuitants, with generational projection of future improvements per the MP-2021, prior PubT-2010 Mortality Table for Employees and Healthy Annuitants, with generational projection of future improvements per the MP-2019. For all other employees the mortality rate was Pub-2010 Mortality table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP Ultimate Scale.

The plan has not had a formal actuarial experience study performed.

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 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 allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected
U.S. Core Fixed Income	32.0 %	2.36 %
Global Bonds	8.0	0.40
U.S. Large Cap	34.0	3.80
U.S. Small and Mid Cap	10.5	3.98
Non-U.S. Equity	15.5	5.75
Total	100.0 %	

E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits Trust (Continued)

F. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances - July 1, 2023	\$ 23,484	\$ 11,291	\$ 12,193
Changes for the Year:			
Service Cost	772	-	772
Interest on Total OPEB Liability	1,459	-	1,459
Economic/Demographic Gains or Losses	(376)	-	(376)
Changes in Assumptions	(2,615)	-	(2,615)
Employer Contributions	-	1,751	(1,751)
Net Investment Income	-	1,400	(1,400)
Benefit Payments	(1,863)	(1,863)	-
Administrative Expenses	-	(45)	45
Net Changes	(2,623)	1,243	(3,866)
Balances - June 30, 2024	\$ 20,861	\$ 12,534	\$ 8,327

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB 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 discount rate:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability	\$ 9,913	\$ 8,327	\$ 6,874

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease 5.7% Decreasing to 3.0%	Health Care Cost Trend Rates 6.7% Decreasing to 4.0%	1% Increase 7.7% Decreasing to 5.0%
Net OPEB Liability	\$ 6,388	\$ 8,327	\$ 10,573

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits Trust (Continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Town recognized OPEB expense of \$830. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 116	\$ 3,898
Changes of Assumptions	1,257	2,803
Net Difference Between Projected and Actual Earning on OPEB Plan Investments	-	188
Total	<u>\$ 1,373</u>	<u>\$ 6,889</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (775)
2026	(568)
2027	(1,051)
2028	(965)
2029	(825)
Thereafter	(1,332)

The following schedule presents the net position held in trust for OPEB benefits at June 30, 2024 and the changes in net position for the year ended June 30, 2024:

Statement of Net Position

Assets:

Cash and Cash Equivalents	\$ 1,725
Investments	<u>10,827</u>
Total Assets	12,552

Liabilities:

Accounts Payable	<u>18</u>
Total Liabilities	<u>18</u>

Net Position:

Restricted for OPEB Benefits	<u>\$ 12,534</u>
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TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits Trust (Continued)

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Statement of Changes in Net Position

Additions:		
Contributions:		
Employer	\$	1,751
Total Contributions		<u>1,751</u>
Investment Income:		
Net Depreciation in Fair Value of Investments		1,098
Interest and Dividends		<u>343</u>
Total Investment Income (Loss)		<u>1,441</u>
Less: Investment Expense		<u>41</u>
Net Investment Income (Loss)		<u>1,400</u>
Total Additions		3,151
Deductions:		
Benefits		1,863
Administration		<u>45</u>
Total Deductions		<u>1,908</u>
Change in Net Position		1,243
Net Position - Beginning of Year		<u>11,291</u>
Net Position - End of Year	\$	<u><u>12,534</u></u>

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at state schools of higher education 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 postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the state statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

B. Benefit Provisions (Amounts Not Rounded)

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

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

Any member who 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 Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)**

C. Eligibility (Continued)

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, state employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

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

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions (Amounts Not Rounded)

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the state of Connecticut are approved, 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 appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the state. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the state will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

D. Contributions (Amounts Not Rounded) (Continued)

Employer (School Districts) (Continued)

For the year ended June 30, 2024, the amount of “on-behalf” contributions made by the state was \$172,290 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the Town was as follows:

Town's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate share of the Net OPEB Liability Associated with the Town	12,783
Total	<u><u>\$ 12,783</u></u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. At June 30, 2024, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the Town recognized OPEB expense and revenue of \$(1,506,007) (not rounded) in Exhibit II.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Health Care Cost Trend Rate	Known increases until calendar year 2024 then general trend decreasing to an ultimate rate of 4.50% by 2031
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	3.00%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position will Be Depleted	2028

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.53% to 3.64%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

F. Actuarial Assumptions (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

TOWN OF NEWINGTON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024
(IN THOUSANDS)

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefit – Connecticut State Teachers Retirement Plan
(Continued)

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

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

I. OPEB 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 at www.ct.gov.

J. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

NOTE 12 CONTINGENT LIABILITIES

The Town is subject to various legal actions arising in the normal course of business. While the ultimate outcome of the aforementioned contingencies is not determinable at this time, the Town believes that any liability or loss resulting therefrom will not materially affect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Property Taxes:				
Current Levy	\$ 95,664	\$ 95,664	\$ 96,479	\$ 815
Prorated Motor Vehicles	1,131	1,131	1,169	38
Prior Year Tax Levies	400	400	747	347
Interest and Liens	350	350	486	136
Motor Vehicles	10,572	10,572	10,242	(330)
Total	108,117	108,117	109,123	1,006
Payments in Lieu of Taxes:				
New Meadow Housing	16	16	16	-
Tiered Pilot	3,749	3,749	3,856	107
Disabled Exemption	6	6	6	-
Additional Veteran's Exemption	19	19	17	(2)
Total	3,790	3,790	3,895	105
Licenses and Permits:				
Building Permits	750	750	499	(251)
Vendor's Permits	2	2	4	2
Gun Permits	10	10	13	3
Raffle and Bingo Permits	1	1	-	(1)
Work Within Rights of Way	20	20	16	(4)
Refuse Handling Licenses	2	2	1	(1)
Total	785	785	533	(252)
Rentals:				
Town Hall Rental	2	2	-	(2)
Indian Hill Country Club	48	48	48	-
Other Town Property	50	50	58	8
Total	100	100	106	6
Investment Income	250	250	2,752	2,502

TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Fines:				
Parking Tickets	\$ 11	\$ 11	\$ 16	\$ 5
False Alarms	10	10	9	(1)
Zoning Citation Fees	-	-	1	1
Blighted Premises	1	1	-	(1)
Total	22	22	26	4
Charges for Services:				
Conservation Commission	5	5	4	(1)
Zoning Board of Appeals	1	1	1	-
Town Planning and Zoning	30	30	11	(19)
Town Clerk Fees	575	575	677	102
Police	10	10	5	(5)
Human Services - Counseling Fee	2	2	-	(2)
Library - Overdue Fines	2	2	1	(1)
Dial-A-Ride Tickets	3	3	3	-
Scrap Metal Curbside	20	20	16	(4)
Fire Marshall Fees & Permits	-	-	1	1
Engineering Fees	1	1	-	(1)
Total	649	649	719	70
Refunds and Reimbursements:				
Refunds - Town	10	10	3	(7)
Refunds - Schools	10	10	3	(7)
Recycling Rebates	2	2	2	-
Total	22	22	8	(14)
State of Connecticut:				
Mashantucket Pequot Fund	165	165	166	1
Youth Services Bureau	20	20	21	1
Telecommunications Tax	85	85	108	23
Emergency Management Grant	18	18	15	(3)
Motor Vehicle Property Tax Grant	2,056	2,056	2,056	-
Cannabis Tax	100	100	300	200
Fire Response State Roads Reim	10	10	6	(4)
Adult Education	51	51	57	6
Municipal Grant-In-Aid	1,786	1,786	1,786	-
Municipal Revenue Sharing	-	-	806	806
School Building Grants	-	-	-	-
Health Services	-	-	7	7
Controlling Interest	-	-	7	7
Education Cost Sharing Grant	15,312	15,312	15,344	32
Total	19,603	19,603	20,679	1,076

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Federal Government:				
FEMA	\$ -	\$ -		\$ -
Senior Citizen Trans Aid	9	9	11	2
Total	9	9	11	2
Miscellaneous:				
Other - Miscellaneous	5	5	10	5
Cancelled PY Encumbrances	90	90	16	(74)
Total	95	95	26	(69)
Total Revenues	133,442	133,442	137,878	4,436
Other Financing Sources:				
Transfers In	386	386	211	(175)
Total	\$ 133,828	\$ 133,828	138,089	\$ 4,261

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	12,661
State of Connecticut on-behalf contributions the Connecticut State Teachers OPEB System for Town teachers are not budgeted.	172
Cancellation of prior year encumbrances are recognized as budgetary revenue.	(16)
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes.	1,410
Lease proceeds not budgeted	67

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

\$ 152,383

TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
General Government:				
Town Council	\$ 55	\$ 55	\$ 54	\$ 1
Town Manager	655	836	836	-
Courts	40	40	40	-
Elections	220	220	200	20
Finance	1,675	1,675	1,635	40
Town Attorney	172	320	318	2
Town Clerk	282	282	282	-
Personnel	43	61	61	-
General Services	3,394	3,294	3,061	233
Total General Government	6,536	6,783	6,487	296
Public Safety:				
Police Department	8,381	8,381	7,728	653
Fire Department	1,352	1,405	1,380	25
Street Lighting	300	300	297	3
Emergency Management	37	37	-	37
Emergency Medical Service	84	84	84	-
Hydrants	119	119	119	-
Total Public Safety	10,273	10,326	9,608	718
Public Works:				
Engineering	268	268	212	56
Highway Department	2,908	2,908	2,742	166
Solid Waste Services	2,574	2,574	2,477	97
Total Public Works	5,750	5,750	5,431	319
Community Planning and Development:				
Planning and Development	311	311	308	3
Town Planning and Zoning	19	19	15	4
Zoning Board of Appeals	3	5	3	2
Building Department	317	272	239	33
Conservation Commission	7	8	7	1
Economic Development	2	2	1	1
Total Community Planning and Development	659	617	573	44
Health and Community Services:				
Public Health:				
Health Services	232	236	235	1
Community Services:				
Human Services	527	527	472	55
Senior and Disabled Center	606	606	543	63
Boards and Commissions	4	4	3	1
Total Health and Community Services	1,369	1,373	1,253	120

TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Library:				
Library Operations	\$ 1,891	\$ 1,891	\$ 1,853	\$ 38
Parks and Recreation:				
Parks and Recreation Administration	253	258	255	3
Grounds Maintenance	1,909	1,928	1,660	268
Total Parks and Recreation	2,162	2,186	1,915	271
Board of Education:				
Art	842	861	861	-
Career/Vocational	839	782	782	-
Computers	2,011	2,265	2,265	-
Language Arts	4,679	4,613	4,613	-
Foreign Language	1,443	1,337	1,337	-
Math	3,978	4,248	4,248	-
Music	1,116	1,155	1,155	-
Physical Education	1,519	1,526	1,526	-
Reading	3,690	4,021	4,021	-
Science	3,288	3,510	3,510	-
S.T.E.M.	779	776	776	-
Social Studies	3,576	3,841	3,841	-
Other Salaries	1,157	1,253	1,253	-
Special Education	12,177	12,119	12,119	-
Homebound	137	145	145	-
Adult Education	108	106	106	-
Guidance	1,299	1,322	1,322	-
Health/Nurses	785	701	701	-
Psychological Services	1,509	1,569	1,569	-
Speech and Hearing	826	1,015	1,015	-
Curriculum Development	307	338	338	-
Media	766	763	763	-
Board of Education	306	265	265	-
Central Direction	1,969	2,028	2,028	-
Building Direction	4,170	4,441	4,441	-
Supplies	255	241	241	-
Maintenance	2,504	2,682	2,682	-
Plant Operation	5,379	5,093	5,093	-
Transportation	4,074	3,491	3,491	-
Evaluation, Planning, and Development	96	53	53	-
Insurance	839	735	735	-
Employee Benefits	14,365	13,408	13,008	400
Non-Athletics	175	196	196	-
Athletics	567	574	574	-
Community Service	104	123	123	-
ELL	565	603	603	-
Total Board of Education	82,199	82,199	81,799	400

**TOWN OF NEWINGTON, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2024
(NON-GAAP BUDGETARY BASIS)
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Miscellaneous:				
Metropolitan District Assessment	\$ 4,869	\$ 4,869	\$ 4,797	\$ 72
Municipal Insurance	999	999	974	25
Greater Hartford Transit District	6	6	5	1
Employee Benefits	10,782	10,729	10,833	(104)
Donations and Contributions	20	20	10	10
Contingency	389	137	49	88
Total Miscellaneous	17,065	16,760	16,668	92
Debt Service:				
Principal Payments	2,335	2,335	2,335	-
Interest Expense	1,060	1,098	1,098	-
Total Debt Service	3,395	3,433	3,433	-
Total Expenditures	131,299	131,318	129,020	2,298
Other Financing Uses:				
Transfers Out	6,214	6,214	6,213	1
Total	\$ 137,513	\$ 137,532	135,233	\$ 2,299

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.	12,661
State of Connecticut on-behalf contributions to the Connecticut State Teachers OPEB System for Town teachers are not budgeted.	172
The Board of Education does not budget for certain intergovernmental grants that are credited against education expenditures for budgetary reporting; these amounts are recorded as revenues and expenditures for financial reporting purposes.	1,410
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes.	(323)
The Town does not budget for expenditures related to note proceeds which are reported as capital outlay under GAAP	67
The Town does not budget for tax refunds that relate to prior year collections	628

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

\$ 149,848

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service Cost	\$ 561	\$ 538	\$ 503	\$ 507	\$ 504	\$ 423	\$ 415	\$ 362	\$ 378	\$ 357
Interest	3,026	3,122	3,184	3,173	3,127	3,175	3,452	3,480	3,323	3,342
Differences Between Expected and Actual Experience	471	581	(856)	(1,228)	402	649	(67)	(678)	974	(839)
Changes of Assumptions	-	518	518	520	538	3,809	-	2,947	428	-
Benefit Payments, Including Refunds of Member Contributions	(2,586)	(2,796)	(2,768)	(2,761)	(2,931)	(3,102)	(3,254)	(3,474)	(3,677)	(3,693)
Net Change in Total Pension Liability	1,472	1,963	581	211	1,640	4,954	546	2,637	1,426	(833)
Total Pension Liability - Beginning	40,597	42,069	44,032	44,613	44,824	46,464	51,418	51,964	54,601	56,027
Total Pension Liability - Ending	42,069	44,032	44,613	44,824	46,464	51,418	51,964	54,601	56,027	55,194
Plan Fiduciary Net Position:										
Contributions - Employer	1,594	1,623	1,695	1,742	1,753	1,885	2,413	2,468	2,416	2,689
Contributions - Member	303	284	274	268	250	221	200	178	157	157
Net Investment Income (Loss)	842	(397)	2,938	1,893	2,011	1,330	6,383	(4,551)	2,971	3,862
Benefit Payments, Including Refunds of Member Contributions	(2,586)	(2,796)	(2,768)	(2,761)	(2,931)	(3,102)	(3,254)	(3,474)	(3,677)	(3,693)
Administrative Expense	(21)	(15)	(20)	(28)	(28)	(25)	(36)	(30)	(44)	(31)
Other:										
Net Change in Plan Fiduciary Net Position	132	(1,301)	2,119	1,114	1,055	309	5,706	(5,409)	1,823	2,984
Plan Fiduciary Net Position - Beginning	22,812	22,944	21,643	23,762	24,876	25,931	26,240	31,946	26,537	28,360
Plan Fiduciary Net Position - Ending	22,944	21,643	23,762	24,876	25,931	26,240	31,946	26,537	28,360	31,344
Net Pension Liability - Ending	\$ 19,125	\$ 22,389	\$ 20,851	\$ 19,948	\$ 20,533	\$ 25,178	\$ 20,018	\$ 28,064	\$ 27,667	\$ 23,850
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.54 %	49.15 %	53.26 %	55.50 %	55.81 %	51.03 %	61.48 %	48.60 %	50.62 %	56.79 %
Covered Payroll	\$ 6,807	\$ 7,037	\$ 6,603	\$ 6,123	\$ 6,115	\$ 5,803	\$ 5,437	\$ 4,755	\$ 4,217	\$ 3,910
Net Pension Liability as a Percentage of Covered Payroll	280.96 %	318.16 %	315.78 %	325.79 %	335.78 %	433.82 %	368.18 %	590.20 %	656.08 %	609.97 %

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service Cost	\$ 1,164	\$ 1,178	\$ 1,264	\$ 1,311	\$ 1,372	\$ 1,349	\$ 1,353	\$ 1,360	\$ 1,514	\$ 1,264
Interest	4,140	4,319	4,479	4,648	4,732	4,883	5,092	5,253	5,288	5,522
Effect of Plan Changes	-	-	-	-	-	-	-	-	496	-
Differences Between Expected and Actual Experience	259	483	186	(1,000)	(3)	(1,588)	50	(75)	2,579	317
Changes of Assumptions		835	913	896	990	3,539	-	6,166	1,116	-
Benefit Payments, Including Refunds of Member Contributions	(3,206)	(3,330)	(3,507)	(3,522)	(3,686)	(3,774)	(3,990)	(4,322)	(4,983)	(5,434)
Net Change in Total Pension Liability	2,357	3,485	3,335	2,333	3,405	4,409	2,505	8,382	6,010	1,669
Total Pension Liability - Beginning	55,347	57,704	61,189	64,524	66,857	70,262	74,671	77,176	85,558	91,568
Total Pension Liability - Ending	57,704	61,189	64,524	66,857	70,262	74,671	77,176	85,558	91,568	93,237
Plan Fiduciary Net Position:										
Contributions - Employer	3,195	3,338	3,515	3,613	3,496	3,758	3,304	3,081	3,181	3,345
Contributions - Member	493	535	558	568	598	579	614	619	596	581
Net Investment Income (Loss)	1,310	(611)	5,004	3,386	3,739	2,574	12,711	(9,292)	6,287	8,135
Benefit Payments, Including Refunds of Member Contributions	(3,206)	(3,330)	(3,507)	(3,522)	(3,686)	(3,774)	(3,990)	(4,322)	(4,983)	(5,434)
Administrative Expense	(22)	(16)	(24)	(32)	(38)	(25)	(49)	(39)	(43)	(45)
Other:										
Net Change in Plan Fiduciary Net Position	1,770	(84)	5,546	4,013	4,109	3,112	12,590	(9,953)	5,038	6,582
Plan Fiduciary Net Position - Beginning	33,974	35,744	35,660	41,206	45,219	49,328	52,440	65,030	55,077	60,115
Plan Fiduciary Net Position - Ending	35,744	35,660	41,206	45,219	49,328	52,440	65,030	55,077	60,115	66,697
Net Pension Liability - Ending	<u>\$ 21,960</u>	<u>\$ 25,529</u>	<u>\$ 23,318</u>	<u>\$ 21,638</u>	<u>\$ 20,934</u>	<u>\$ 22,231</u>	<u>\$ 12,146</u>	<u>\$ 30,481</u>	<u>\$ 31,453</u>	<u>\$ 26,540</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.94 %	58.28 %	63.86 %	67.64 %	70.21 %	70.23 %	84.26 %	64.37 %	65.65 %	71.53 %
Covered Payroll	\$ 5,536	\$ 5,766	\$ 5,828	\$ 6,151	\$ 6,183	\$ 6,381	\$ 6,548	\$ 6,388	\$ 6,748	\$ 7,081
Net Pension Liability as a Percentage of Covered Payroll	396.68 %	442.75 %	400.10 %	351.78 %	338.57 %	348.39 %	185.49 %	477.16 %	466.11 %	374.81 %

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ADMINISTRATIVE EMPLOYEES
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service Cost	\$ 62	\$ 66	\$ 69	\$ 61	\$ 48	\$ 50	\$ 44	\$ 29	\$ 32	\$ 34
Interest	845	838	843	842	831	791	834	821	797	768
Differences Between Expected and Actual Experience	113	(63)	71	1	(370)	153	78	396	(9)	(41)
Changes of Assumptions		85	129	128	120	875	-	686	44	-
Benefit Payments, Including Refunds of Member Contributions	(855)	(848)	(848)	(958)	(985)	(1,001)	(1,091)	(1,158)	(1,097)	(1,065)
Net Change in Total Pension Liability	165	78	264	74	(356)	868	(135)	774	(233)	(304)
Total Pension Liability - Beginning	11,523	11,688	11,766	12,030	12,104	11,748	12,616	12,481	13,255	13,022
Total Pension Liability - Ending	11,688	11,766	12,030	12,104	11,748	12,616	12,481	13,255	13,022	12,718
Plan Fiduciary Net Position:										
Contributions - EMPLOYER	436	449	455	491	517	512	652	682	821	854
Contributions - member	40	41	43	29	24	23	15	19	13	11
Net Investment Income (Loss)	213	(101)	701	448	436	271	1,284	(849)	523	680
Benefit Payments, Including Refunds of Member Contributions	(855)	(848)	(848)	(958)	(985)	(1,001)	(1,091)	(1,158)	(1,097)	(1,065)
Administrative Expense	(5)	(3)	(4)	(6)	(7)	(9)	(27)	(16)	(19)	(23)
Other:										
Net Change in Plan Fiduciary Net Position	(171)	(462)	347	4	(15)	(204)	833	(1,322)	241	457
Plan Fiduciary Net Position - Beginning	5,844	5,673	5,211	5,558	5,562	5,547	5,343	6,176	4,854	5,095
Plan Fiduciary Net Position - Ending	5,673	5,211	5,558	5,562	5,547	5,343	6,176	4,854	5,095	5,552
Net Pension Liability - Ending	\$ 6,015	\$ 6,555	\$ 6,472	\$ 6,542	\$ 6,201	\$ 7,273	\$ 6,305	\$ 8,401	\$ 7,927	\$ 7,166
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.54 %	44.29 %	46.20 %	45.95 %	47.22 %	42.35 %	49.48 %	36.62 %	39.13 %	43.65 %
Covered Payroll	\$ 842	\$ 864	\$ 899	\$ 925	\$ 766	\$ 542	\$ 560	\$ 484	\$ 289	\$ 291
Net Pension Liability as a Percentage of Covered Payroll	714.37 %	758.68 %	719.91 %	707.24 %	809.53 %	1341.88 %	1125.89 %	1735.74 %	2742.91 %	2460.92 %

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIIGHTERS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability:										
Service Cost										
Interest	\$ 86	\$ 86	\$ 84	\$ 81	\$ 78	\$ 76	\$ 79	\$ 78	\$ 70	\$ 68
Differences Between Expected and Actual Experience	-	50	-	(12)	(1)	(96)	-	(52)	-	-
Changes of Assumptions	-	-	-	-	-	201	-	42	-	-
Benefit Payments, Including Refunds of Member Contributions	(121)	(125)	(120)	(119)	(119)	(117)	(108)	(105)	(102)	(100)
Net Change in Total Pension Liability	(35)	11	(36)	(50)	(42)	64	(29)	(37)	(32)	(32)
Total Pension Liability - Beginning	1,476	1,441	1,452	1,416	1,366	1,324	1,388	1,359	1,322	1,290
Total Pension Liability - Ending	1,441	1,452	1,416	1,366	1,324	1,388	1,359	1,322	1,290	1,258
Plan Fiduciary Net Position:										
Contributions - Employer	133	133	125	125	106	106	102	101	68	68
Net Investment Income (Loss)	(5)	(3)	58	27	40	7	144	(124)	69	95
Benefit Payments, Including Refunds of Member Contributions	(121)	(125)	(120)	(119)	(119)	(117)	(108)	(105)	(102)	(100)
Administrative Expense	(6)	(12)	(5)	(11)	(4)	(8)	(4)	(17)	(4)	(14)
Other:										
Net Change in Plan Fiduciary Net Position	1	(7)	58	22	23	(12)	134	(145)	31	49
Plan Fiduciary Net Position - Beginning	507	508	501	559	581	604	592	726	581	612
Plan Fiduciary Net Position - Ending	508	501	559	581	604	592	726	581	612	661
Net Pension Liability - Ending	\$ 933	\$ 951	\$ 857	\$ 785	\$ 720	\$ 796	\$ 633	\$ 741	\$ 678	\$ 597
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.25 %	34.50 %	39.48 %	42.53 %	45.62 %	42.76 %	53.42 %	43.95 %	47.44 %	52.54 %
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MUNICIPAL EMPLOYEES
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 1,594	\$ 1,623	\$ 1,695	\$ 1,742	\$ 1,753	\$ 1,885	\$ 2,413	\$ 2,468	\$ 2,316	\$ 2,589
Contributions in Relation to the Actuarially Determined Contribution	<u>1,594</u>	<u>1,623</u>	<u>1,695</u>	<u>1,742</u>	<u>1,753</u>	<u>1,885</u>	<u>2,413</u>	<u>2,468</u>	<u>2,416</u>	<u>2,689</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100)</u>	<u>\$ (100)</u>
Covered Payroll	\$ 6,807	\$ 7,037	\$ 6,603	\$ 6,183	\$ 6,115	\$ 5,803	\$ 5,437	\$ 4,755	\$ 4,217	\$ 3,910
Contributions as a Percentage of Covered Payroll	23.42 %	23.06 %	25.67 %	28.17 %	28.67 %	32.48 %	44.38 %	51.90 %	57.29 %	68.77 %

Notes to Schedule

Valuation Date: July 1, 2023
Measurement Date: June 30, 2024
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:
Actuarial Cost Method Entry Age Normal
Amortization Method Level Percentage of Payroll, Closed
Remaining Amortization Period 13 years
Asset Valuation Method 5-Year Nonasymptotic
Inflation 2.75%
Salary Increases 3.25%, Average, Including Inflation
Investment Rate of Return 6.125%, Net of Pension Plan Investment Expense, Including Inflation

Retirement Age Age-Based Table

Mortality PUB-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 3,195	\$ 3,338	\$ 3,486	\$ 3,613	\$ 3,496	\$ 3,758	\$ 3,304	\$ 3,081	\$ 3,081	\$ 3,245
Contributions in Relation to the Actuarially Determined Contribution	3,195	3,338	3,515	3,613	3,496	3,758	3,304	3,081	3,181	3,345
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (29)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100)	\$ (100)
Covered Payroll	\$ 5,536	\$ 5,766	\$ 5,828	\$ 6,151	\$ 6,183	\$ 6,381	\$ 6,548	\$ 6,388	\$ 6,748	\$ 7,081
Contributions as a Percentage of Covered Payroll	57.71 %	57.89 %	60.31 %	58.74 %	56.54 %	58.89 %	50.46 %	48.23 %	47.14 %	47.24 %

Notes to Schedule:

Valuation Date: July 1, 2023

Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	10 Years
Asset Valuation Method	5-Year Nonasymptotic
Inflation	2.75%
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.125%, Net of Pension Plan Investment Expense, Including Inflation

Retirement Age: Based on Age and Service

Mortality: PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ADMINISTRATIVE EMPLOYEES
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 436	\$ 449	\$ 455	\$ 491	\$ 517	\$ 512	\$ 652	\$ 682	\$ 721	\$ 754
Contributions in Relation to the Actuarially Determined Contribution	436	449	455	491	517	512	652	682	821	854
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100)	\$ (100)
Covered Payroll	\$ 842	\$ 864	\$ 899	\$ 925	\$ 766	\$ 542	\$ 560	\$ 484	\$ 289	\$ 291
Contributions as a Percentage of Covered Payroll	51.78 %	51.97 %	50.61 %	53.08 %	67.49 %	94.46 %	116.43 %	140.91 %	284.08 %	293.47 %

Notes to Schedule

Valuation Date: July 1, 2023
Measurement Date: June 30, 2024
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:
Actuarial Cost Method Entry Age Normal
Amortization Method Level Percentage of Payroll, Closed
Remaining Amortization Period 15 Years
Asset Valuation Method 5-Year Nonasymptotic
Inflation 2.75%
Salary Increases 3.25%, Average, Including Inflation
Investment Rate of Return 6.125%, Net of Pension Plan Investment Expense, Including Inflation

Retirement Age Age-Related Table

Mortality
PUB-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 133	\$ 133	\$ 125	\$ 125	\$ 106	\$ 106	\$ 102	\$ 101	\$ 68	\$ 68
Contributions in Relation to the Actuarially Determined Contribution	133	133	125	125	106	106	102	101	68	68
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date: July 1, 2023
Measurement Date: June 30, 2024
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:
Actuarial Cost Method Entry Age Normal
Amortization Method Level Dollar of Payroll, Open
Remaining Amortization Period 10 Years
Asset Valuation Method N/A
Inflation 2.75%
Salary Increases N/A
Investment Rate of Return 5.5%, Net of Pension Plan Investment Expense, Including Inflation

Retirement Age 100% are assumed to retire at Normal Retirement Date

Mortality PubS-2010 Morality with generational projection per MP-2019 Ultimate Scale

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL EMPLOYEES
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.64 %	(1.71)%	13.36 %	7.83 %	7.97 %	5.06 %	23.74 %	(13.95)%	11.10 %	13.36 %

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
POLICE
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.67 %	(1.63) %	13.31 %	7.83 %	7.94 %	5.01 %	23.68 %	(14.05) %	11.32 %	13.44 %

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
ADMINISTRATIVE EMPLOYEES
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	3.65 %	(1.77)%	13.37 %	8.07 %	7.82 %	4.91 %	23.84 %	(13.66)%	10.62 %	12.92 %

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Money-Weighted Rate of Return, Net of Investment Expense	(1.20)%	(0.70)%	9.87 %	3.98 %	7.06 %	1.51 %	26.21 %	(17.53)%	12.30 %	16.05 %

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TEN FISCAL YEARS*
(IN THOUSANDS)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Town's Proportion of the Net Pension Liability	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Town	81,526	88,203	112,951	107,062	104,120	135,035	148,298	117,453	146,676	136,453
Total	\$ 81,526	\$ 88,203	\$ 112,951	\$ 107,062	\$ 104,120	\$ 135,035	\$ 148,298	\$ 117,453	\$ 146,676	\$ 136,453
Town's Covered Payroll	\$ 31,370	\$ 31,603	\$ 32,498	\$ 32,704	\$ 32,582	\$ 33,569	\$ 27,265	\$ 28,223	\$ 28,223	\$ 29,947
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.51 %	59.50 %	52.26 %	55.93 %	57.69 %	52.00 %	49.24 %	60.77 %	54.06 %	54.06 %

Notes to Schedule

Changes in Benefit Terms	Legislation was passed restoring the 25% wear down of Plan N benefits to vested members as of June 30, 2019.
Changes of Assumptions	None
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Closed, grading to a level dollar amortization method for the June 30, 2024 valuation
Single Equivalent Amortization Period	27.8 years
Asset Valuation Method	4-Year Smoothed Fair Value
Inflation	2.50%
Salary Increase	3.00%-6.50%, including inflation
Investment Rate of Return	6.90%, Net of Investment Related Expense

Notes:

- The measurement date is one year earlier than the employer's reporting date.

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT TRUST FUND
LAST EIGHT FISCAL YEARS*
(IN THOUSANDS)

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability:								
Service Cost	\$ 756	\$ 734	\$ 774	\$ 626	\$ 636	\$ 650	\$ 700	\$ 772
Interest	1,646	1,717	1,784	1,844	1,471	1,512	1,368	1,459
Changes of Benefit Terms	-	-	-	-	-	(5)	-	-
Differences Between Expected and Actual Experience	-	737	-	(4,485)	-	(1,767)	-	(376)
Changes of Assumptions	-	88	-	(879)	-	853	812	(2,615)
Benefit Payments	(1,175)	(1,688)	(1,422)	(1,716)	(1,466)	(1,608)	(1,159)	(1,863)
Net Change in Total OPEB Liability	1,227	1,588	1,136	(4,610)	641	(365)	1,721	(2,623)
Total OPEB Liability - Beginning	22,146	23,373	24,961	26,097	21,487	22,128	21,763	23,484
Total OPEB Liability - Ending	23,373	24,961	26,097	21,487	22,128	21,763	23,484	20,861
Plan Fiduciary Net Position:								
Contributions - Employer	2,138	1,771	2,123	2,254	1,697	1,723	1,655	1,751
Net Investment Income	792	516	628	434	2,012	(1,498)	1,055	1,400
Benefit Payments	(1,175)	(1,688)	(1,422)	(1,716)	(1,466)	(1,608)	(1,159)	(1,863)
Administrative Expense	(167)	(134)	(153)	(40)	(17)	(37)	(14)	(45)
Other:								
Net Change in Plan Fiduciary Net Position	1,588	465	1,176	932	2,226	(1,420)	1,537	1,243
Plan Fiduciary Net Position - Beginning	4,787	6,375	6,840	8,016	8,948	11,174	9,754	11,291
Plan Fiduciary Net Position - Ending	6,375	6,840	8,016	8,948	11,174	9,754	11,291	12,534
Net OPEB Liability - Ending	<u>\$ 16,998</u>	<u>\$ 18,121</u>	<u>\$ 18,081</u>	<u>\$ 12,539</u>	<u>\$ 10,954</u>	<u>\$ 12,009</u>	<u>\$ 12,193</u>	<u>\$ 8,327</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	27.28 %	27.40 %	30.72 %	41.64 %	50.50 %	44.82 %	48.08 %	60.08 %
Covered Payroll	\$ 46,163	\$ 46,163	\$ 45,740	\$ 45,740	\$ 56,654	\$ 58,587	\$ 58,587	\$ 63,965
Net OPEB Liability as a Percentage of Covered Payroll	36.82 %	39.25 %	39.53 %	27.41 %	19.33 %	20.50 %	20.81 %	13.02 %

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

Notes to Schedule:

Benefit changes : None

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT TRUST FUND
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution (1)	\$ 1,880	\$ 1,970	\$ 1,771	\$ 1,841	\$ 2,123	\$ 2,254	\$ 1,697	\$ 1,723	\$ 1,655	\$ 1,751
Contributions in Relation to the Actuarially Determined Contribution	1,781	1,946	2,138	1,771	2,123	2,254	1,697	1,723	1,655	1,751
Contribution Deficiency (Excess)	\$ 99	\$ 24	\$ (367)	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	N/A	N/A	\$ 46,163	\$ 46,163	\$ 45,740	\$ 45,740	\$ 56,654	\$ 58,587	\$ 58,587	\$ 63,965
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	3.84 %	4.64 %	4.93 %	3.00 %	2.94 %	2.82 %	2.74 %

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2018 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule:

Valuation Date: July 1, 2023
Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent, Closed
Amortization Period	15 Years
Asset Valuation Method	Nonasymptotic
Inflation	2.60%
Health Care Cost Trend Rates	6.70%-4.00% over 50 Years
Salary Increases	3.25%
Investment Rate of Return	6.25%
Retirement Age	Varies by Age and Years of Service

Mortality:

Teachers	PubT-2010 Mortality Table for Employees and Healthy Annuitants, with generational projection of future improvements per the MP-2021 (prior: 2019)
All Others	Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP Ultimate Scale.

**TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT TRUST FUND
LAST EIGHT FISCAL YEARS***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.22 %	7.26 %	8.11 %	4.54 %	20.89 %	(12.55)%	10.15 %	11.64 %

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

TOWN OF NEWINGTON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS*
(IN THOUSANDS)

	2018	2019	2020	2021	2022	2023	2024
Town's Proportion of the Net OPEB Liability	- %	- %	- %	- %	- %	- %	- %
Town's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Town	27,557	20,814	21,059	22,119	12,796	12,845	12,784
Total	<u>\$ 27,557</u>	<u>\$ 20,814</u>	<u>\$ 21,059</u>	<u>\$ 22,119</u>	<u>\$ 12,796</u>	<u>\$ 12,845</u>	<u>\$ 12,784</u>
Town's Covered Payroll	\$ 32,704	\$ 32,582	\$ 33,569	\$ 27,265	\$ 28,223	\$ 28,223	\$ 29,947
Town's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	- %	- %	- %	- %	- %	- %	- %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.79 %	1.49 %	2.08 %	2.50 %	6.11 %	6.11 %	9.46 %

Notes to Schedule:

Changes of Assumptions

Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023;

Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

The assumed age-related annual percentage increases in expected annual per capita health care claims costs were updated;

Long-term health care cost trend rates were updated; and

The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options were updated to better reflect anticipated plan experience.

Actuarial cost method

Entry Age

Amortization method

Level Percent of Payroll Over an Open Period

Remaining amortization period

30 Years

Asset valuation method

Smoothed Fair Value

Investment rate of return

3.00%, Net of Investment Related Expense Including Price Inflation

Price inflation

2.50%

Notes:

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

- The measurement date is one year earlier than the employer's reporting date.

**TOWN OF NEWINGTON, CONNECTICUT
CAPITAL PROJECTS FUND
CAPITAL NON-RECURRING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET TO
ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Sale of property	\$ -	\$ -	\$ 26	\$ 26
Miscellaneous - Donations	-	-	2	2
Cancelled PY Encumbrance	-	-	133	133
Total	-	-	161	161
Expenditures:				
Revaluation	132	132	7	125
General Property Improvements	207	207	42	165
Historic Properties	105	105	9	96
Town Bldgs Mechanical Systems	156	156	28	128
HVAC Replacement for Police Department	185	185	35	150
SDC Life Safety Generator Replacement	125	125	106	19
EOC Construction	500	500	25	475
Radio Lease	1,435	1,435	702	733
Radio Replacement Reserve	151	151	12	139
Police Department Body Cameras	120	120	43	77
Patrol Car Dashboard Cameras	221	221	47	174
Public Safety Communication Tower	175	175	-	175
Fire Department PPE	101	101	101	-
Fire Co 1 Energy Efficient Radiant Heat System	80	80	18	62
Fire Department Security Upgrade	60	60	-	60
Matching Grant Fund	734	734	59	675
Local Bridge & Dam inspection and Maintenance	247	247	-	247
Flood Control System Maintenance	100	100	-	100
Road Resurfacing/Reconstruction	1,138	1,138	373	765
Alumni Road Improvements	100	100	6	94
Sidewalk, Pavers & Curbs Maintain & Repair	75	75	3	72
Stonewall Repair	128	128	11	117
Public Building Resurfacing Program	392	392	-	392
Elm Hill Business District Street Scape	530	530	-	530
Garfield Street Resurfacing	215	215	-	215
Drainage Maintenance & Improvements	402	402	87	315
Sidewalk Curb Ramps	341	341	19	322
Flood Control System Dredging	100	100	-	100
Camp Avenue - Road Resurfacing	125	125	-	125
Traffic Signal Repair & Replacement Reserve	275	275	91	184
MS4 Compliance	140	140	14	126
Synthetic Turf Replacement	159	159	-	159
Park, pool & Playfield Improvements	251	251	213	38
Town ADA Compliant Paths, Walkways & Parking	141	141	1	140
Board of Education Projects	1,480	1,480	1,037	443
Equipment Replacement Reserve	2,225	2,225	731	1,494
Lease Purchase	177	177	168	9
Total	13,228	13,228	3,988	9,240

TOWN OF NEWINGTON, CONNECTICUT
CAPITAL PROJECTS FUND
CAPITAL NON-RECURRING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET TO
ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

Excess (deficiency) of revenues over (under) expenditures	\$ (13,228)	\$ (13,228)	\$ (3,827)	\$ (9,079)
Other financing sources (uses)				
Transfer in	5,564	5,564	5,014	(550)
Transfer Out	-	-	(9)	(9)
Total other financing sources (uses)	5,564	5,564	5,005	(559)
NET CHANGE IN FUND BALANCE	\$ (7,664)	\$ (7,664)	1,178	\$ (9,638)
Fund Balance - Beginning of Year			8,841	
FUND BALANCE - END OF YEAR			\$ 10,019	

Reconciliation to GAAP Basis

	Revenues	Expenditures	Fund Balance
Balance, Budgetary Basis - June 30, 2024	\$ 5,175	\$ 3,997	\$ 10,019
Encumbrances Outstanding at End of Year, Charged to Budgetary Expenditures	-	(1,705)	1,705
Prior year Encumbrances Still Outstanding	-	-	952
The Town does not budget for Note Proceeds	4,023	4,023	-
Prior Year Encumbrances Cancelled	(133)	-	-
Prior Year Encumbrances Charged to Budgetary Last Year	-	808	-
Balance, GAAP Basis - June 30, 2024	\$ 9,065	\$ 7,123	\$ 12,676

TOWN OF NEWINGTON, CONNECTICUT
CAPITAL PROJECTS FUND
PUBLIC SCHOOL CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET TO
ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
School Rental Receipts	\$ 73	\$ 73	\$ 113	\$ 40
Tuition Receipts	1,000	1,000	860	(140)
Interest Earnings	2	2	64	62
Cancelled PY Encumbrance	-	-	6	6
Total	1,075	1,075	1,043	(32)
Expenditures:				
District-wide HVAC	94	94	-	94
District-wide Security and Safety	12	12	12	0
District-wide Playground Renovations	200	200	200	0
Technology	810	810	781	29
District-wide Blacktop/Paving	164	164	161	3
District-wide School Vehicles	112	112	103	9
Total	1,392	1,392	1,257	135
Excess (deficiency) of revenues over (under) expenditures	(317)	(317)	(214)	(167)
Other financing sources (uses)				
Transfer in	125	125	125	-
Total other financing sources (uses)	125	125	125	-
NET CHANGE IN FUND BALANCE	\$ (192)	\$ (192)	(89)	\$ (167)
Fund Balance - Beginning of Year			1,148	
FUND BALANCE - END OF YEAR			\$ 1,059	
Reconciliation to GAAP Basis				
	Revenues	Expenditures	Fund Balance	
Balance, Budgetary Basis - June 30, 2024	\$ 1,168	\$ 1,257	\$ 1,059	
Encumbrances Outstanding at End of Year, Charged to Charged to Budgetary Expenditures	-	(1,071)	1,071	
Prior Year Encumbrances Cancelled	(6)			
Prior Year Encumbrances Charged to Budgetary Last Year	-	1,006	-	
Balance, GAAP Basis - June 30, 2024	\$ 1,162	\$ 1,192	\$ 2,130	

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is the principal operating fund of the Town. It is used to account for activities traditionally associated with government that are not required to be accounting for in another fund.

**TOWN OF NEWINGTON, CONNECTICUT
COMPARATIVE BALANCE SHEET
GENERAL FUND
JUNE 30, 2024 AND 2023
(IN THOUSANDS)**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 44,960	\$ 42,548
Investments	2,420	2,215
Receivables:		
Property Taxes, Net of Allowance of \$94 in 2024 and 2023	1,602	1,463
Intergovernmental	-	-
Other Receivable	485	639
Prepaid Items	5	-
Due from Other Funds	<u>421</u>	<u>423</u>
Total Assets	<u>\$ 49,893</u>	<u>\$ 47,288</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable and Other Liabilities	\$ 6,729	\$ 6,254
Unearned Revenue	<u>35</u>	<u>-</u>
Total Liabilities	6,764	6,254
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Taxes	1,390	1,275
Deferred Inflows Related to Leases	260	303
Advance Property Tax Collections	<u>160</u>	<u>672</u>
Total Deferred Inflows of Resources	1,810	2,250
FUND BALANCES		
Restricted		
Committed	2,601	2,601
Assigned:		
Encumbrances	2,518	2,359
Designated for Subsequent Year's Budget	3,325	3,685
Unassigned	<u>32,875</u>	<u>30,139</u>
Total Fund Balances	<u>41,319</u>	<u>38,784</u>
Total Liabilities and Fund Balances	<u>\$ 49,893</u>	<u>\$ 47,288</u>

**TOWN OF NEWINGTON, CONNECTICUT
REPORT OF TAX COLLECTOR
GENERAL FUND
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

Grand List	Mill Rate	Uncollected Taxes	Lawful Corrections		Suspense	Adjusted Taxes	Collections				Uncollected Taxes
		July 1, 2023	Additions	Deductions		Collectible	Taxes	Interest	Liens	Total	June 30, 2024
2022	38.36	\$ 109,428	\$ 99	\$ 667	\$ -	\$ 108,860	\$ 107,801	\$ 233	\$ 2	\$ 108,036	\$ 1,059
2021	38.49	877	61	29	209	700	583	119	2	704	117
2020	38.81	132	17	5	2	142	107	42	1	150	35
2019	39.28	89	2	1	-	90	63	33	-	96	27
2018	39.45	31	1	1	-	31	10	6	-	16	21
2017	38.50	12	-	1	-	11	1	-	-	1	10
2016	36.59	11	-	-	-	11	-	-	-	-	11
2015	35.75	6	-	-	-	6	-	-	-	-	6
2014	35.80	6	-	-	-	6	-	-	-	-	6
2013	34.77	5	-	-	-	5	-	-	-	-	5
2012	33.63	4	-	-	-	4	-	-	-	-	4
2011	32.64	11	-	7	-	4	-	-	-	-	4
2010	30.02	11	-	-	-	11	-	-	-	-	11
2009	29.18	10	-	-	-	10	-	-	-	-	10
2008	28.40	10	-	-	10	-	-	-	-	-	-
						-					
Total		\$ 110,643	\$ 180	\$ 711	\$ 221	\$ 109,891	\$ 108,565	\$ 433	\$ 5	\$ 109,003	\$ 1,326

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of special revenues sources (except major capital projects) that are legally restricted to expenditure for specific purposes. The Special Revenue Funds are as follows:

Fund	Funding Source	Function
Cafeteria	Sale of food, state and federal grants	Food service operations
Road Aid Maintenance	State funds	Improvement of the Town's roads
State and Federal Grants	Federal or state grants	Education programs
Cemetery	Charges for services	Maintaining the Town's cemeteries
Dog Licenses	License fees	Canine control program
LOCIP Reserve	State funds	Infrastructure improvements
Recreation Programs	User fees	Recreation
Employee Leave Liability	Local	Pay employees for accumulated sick leave upon termination
Balf	The Balf Company	The use of these funds is to be determined in the future by the Town's governing body
Volunteer Ambulance	Local	Money purchase plan established
Volunteer Firefighters'	Local	Provides a one-time payment based on length of service to volunteer firefighters who are vested but no longer active
Student Activities and Scholarship Trust	Fees and donations	Various student activities, clubs and scholarship endowments/gifts
DECD	State funds	Improvements for community development
Small Cities	Federal grants	Community development and housing loan program
Student Technology Insurance Fund	User fees	Repair and replacement of student Chromebooks
Youth Activities	Fees and donations	Various programs benefiting Town's youth

PERMANENT FUNDS

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

Cemetery Trust Fund – consists of individual endowments, the interest of which is used to offset maintenance costs of individual graves.

Hubbard Book Fund – records interest earned on endowment (Hubbard), which is used to purchase library books.

Tri-Centennial Fund – records contributions from local banks to be held in trust until the country's tri-centennial.

TOWN OF NEWINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2024
(IN THOUSANDS)

Special Revenue Funds											
	Cafeteria	Road Aid Maintenance	State and Federal Grants	Cemetery	Dog Licenses	LOCIP Reserve	Recreation Programs	Employee Leave Liability	Balf	Volunteer Ambulance	Volunteer Firefighters'
ASSETS											
Cash and Cash Equivalents	\$ 884	\$ 144	\$ -	\$ 953	\$ 65	\$ 89	\$ 628	\$ -	\$ 12	\$ 221	\$ -
Investments	-	-	-	1,315	-	-	1,317	659	-	-	178
Receivables:											
Accounts and Other	7	-	-	-	-	-	-	-	-	-	-
State and Federal Governments	167	-	3	-	-	45	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	23	-	-
Inventory	110	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 1,168	\$ 144	\$ 3	\$ 2,268	\$ 65	\$ 134	\$ 1,945	\$ 659	\$ 35	\$ 221	\$ 178
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE											
Liabilities:											
Accounts and Other Payables	\$ 3	\$ 29	\$ -	\$ -	\$ 11	\$ -	\$ 117	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	142	-	-	-	-	14	-	-	5
Unearned Revenue	73	-	-	-	-	-	828	-	-	-	-
Total Liabilities	76	29	142	-	11	-	945	14	-	-	5
Deferred Inflows of Resources:											
Unavailable Revenue -											
Loans and Grants Receivable	-	-	-	-	-	-	-	-	-	-	-
Fund Balances:											
Nonspendable	110	-	-	-	-	-	-	-	-	-	-
Restricted	-	115	-	-	-	134	-	-	-	-	-
Committed	982	-	-	2,268	54	-	1,000	645	35	221	173
Unassigned	-	-	(139)	-	-	-	-	-	-	-	-
Total Fund Balances	1,092	115	(139)	2,268	54	134	1,000	645	35	221	173
Total Liabilities and Fund Balances	\$ 1,168	\$ 144	\$ 3	\$ 2,268	\$ 65	\$ 134	\$ 1,945	\$ 659	\$ 35	\$ 221	\$ 178

**TOWN OF NEWINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2024
(IN THOUSANDS)**

	Special Revenue Funds						Permanent Funds				Interfund Eliminations	Total Nonmajor Governmental Funds
	Student Activities and Scholarship	DECD	Small Cities	Student Technology Insurance Fund	Youth Activities	Total	Cemetery Trust	Hubbard Book	Tri- Centennial	Total		
ASSETS												
Cash and Cash Equivalents	\$ 1,092	\$ -	\$ 98	\$ 312	\$ 7	\$ 4,505	\$ 25	\$ 12	\$ 1	\$ 38	\$ -	\$ 4,543
Investments	-	-	-	-	-	3,469	-	-	-	-	-	3,469
Receivables:												
Accounts and Other	-	-	729	-	-	736	-	-	-	-	-	736
State and Federal Governments	-	4	-	-	-	219	-	-	-	-	-	219
Due from Other Funds	-	-	-	-	-	23	-	-	-	-	(23)	-
Inventory	-	-	-	-	-	110	-	-	-	-	-	110
Total Assets	\$ 1,092	\$ 4	\$ 827	\$ 312	\$ 7	\$ 9,062	\$ 25	\$ 12	\$ 1	\$ 38	\$ (23)	\$ 9,077
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE												
Liabilities:												
Accounts and Other Payables	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161
Due to Other Funds	-	4	-	-	-	165	-	-	-	-	(23)	142
Unearned Revenue	-	-	-	-	-	901	-	-	-	-	-	901
Total Liabilities	-	4	1	-	-	1,227	-	-	-	-	(23)	1,204
Deferred Inflows of Resources:												
Unavailable Revenue - Loans and Grants Receivable	-	-	729	-	-	729	-	-	-	-	-	729
Fund Balances:												
Nonspendable	-	-	-	-	-	110	25	11	1	37	-	147
Restricted	-	-	97	-	7	353	-	1	-	1	-	354
Committed	1,092	-	-	312	-	6,782	-	-	-	-	-	6,782
Unassigned	-	-	-	-	-	(139)	-	-	-	-	-	(139)
Total Fund Balances	1,092	-	97	312	7	7,106	25	12	1	38	-	7,144
Total Liabilities and Fund Balances	\$ 1,092	\$ 4	\$ 827	\$ 312	\$ 7	\$ 9,062	\$ 25	\$ 12	\$ 1	\$ 38	\$ (23)	\$ 9,077

TOWN OF NEWINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Special Revenue Funds										
	Cafeteria	Road Aid Maintenance	State and Federal Grants	Cemetery	Dog Licenses	LOCIP Reserve	Recreation Programs	Employee Leave Liability	Balf	Volunteer Ambulance	Volunteer Firefighters'
REVENUES											
Licenses, Fees, and Permits	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,112	412	4,011	2	-	690	-	-	-	-	-
Contributions	-	-	-	-	-	-	22	-	-	-	-
Charges for Services	719	-	-	358	-	10	1,856	-	-	-	-
Investment Income (loss)	-	-	-	151	-	-	134	68	2	12	18
Miscellaneous	17	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,848	412	4,011	511	18	700	2,012	68	2	12	18
EXPENDITURES											
Current:											
General Government	-	-	-	-	-	-	-	5	-	-	-
Public Safety	-	-	-	-	16	-	-	-	-	7	-
Community Planning and Development	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	1,689	-	-	-	-
Education	1,893	-	4,050	-	-	-	-	49	-	-	-
Capital Outlay	-	371	-	52	-	481	-	-	-	-	-
Total Expenditures	1,893	371	4,050	52	16	481	1,689	54	-	7	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES											
	(45)	41	(39)	459	2	219	323	14	2	5	18
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-	-	55	-	6	-
Transfers Out	-	-	-	(191)	-	-	(320)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(191)	-	-	(320)	55	-	6	-
NET CHANGE IN FUND BALANCES											
	(45)	41	(39)	268	2	219	3	69	2	11	18
Fund Balances - Beginning of Year	1,137	74	(100)	2,000	52	(85)	997	576	33	210	155
FUND BALANCES - END OF YEAR	\$ 1,092	\$ 115	\$ (139)	\$ 2,268	\$ 54	\$ 134	\$ 1,000	\$ 645	\$ 35	\$ 221	\$ 173

**TOWN OF NEWINGTON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)**

	Special Revenue Funds						Permanent Funds				Total Nonmajor Governmental Funds
	Student Activities and Scholarship	DECD	Small Cities	Student Technology Insurance Fund	Youth Activities	Total	Cemetery Trust	Hubbard Book	Tri-Centennial	Total	
REVENUES											
Licenses, Fees, and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ 18
Intergovernmental	-	-	-	-	-	6,227	-	-	-	-	6,227
Contributions	-	-	-	-	-	22	-	-	-	-	22
Charges for Services	-	-	-	85	-	3,028	-	-	-	-	3,028
Investment Income	-	-	-	-	-	385	1	1	-	2	387
Miscellaneous	834	-	61	-	-	912	-	-	-	-	912
Total Revenues	834	-	61	85	-	10,592	1	1	-	2	10,594
EXPENDITURES											
Current:											
General Government	-	-	-	-	-	5	-	-	-	-	5
Public Safety	-	-	-	-	-	23	-	-	-	-	23
Community Planning and Development	-	-	4	-	-	4	-	-	-	-	4
Parks and Recreation	-	-	-	-	-	1,689	-	-	-	-	1,689
Education	786	-	-	16	-	6,794	-	-	-	-	6,794
Capital Outlay	-	-	-	-	-	904	-	-	-	-	904
Total Expenditures	786	-	4	16	-	9,419	-	-	-	-	9,419
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	48	-	57	69	-	1,173	1	1	-	2	1,175
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	61	-	-	-	-	61
Transfers Out	-	-	-	-	-	(511)	(1)	-	-	(1)	(512)
Total Other Financing Sources (Uses)	-	-	-	-	-	(450)	(1)	-	-	(1)	(451)
NET CHANGE IN FUND BALANCES	48	-	57	69	-	723	-	1	-	1	724
Fund Balances - Beginning of Year	1,044	-	40	243	7	6,383	25	11	1	37	6,420
FUND BALANCES - END OF YEAR	\$ 1,092	\$ -	\$ 97	\$ 312	\$ 7	\$ 7,106	\$ 25	\$ 12	\$ 1	\$ 38	\$ 7,144

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal Service funds are used for the financing of goods or services provided by one department or agency to other departments or agencies of the Town, or to other governments, on a cost reimbursement basis. The Town has two such funds.

Health Benefits Fund – This fund is used to account for funds received from various Town funds and departments for health benefits. The fund pays for costs associated with providing medical benefits to current and past employees.

Insurance Reserve Fund – This fund was established by ordinance to meet any substantial premium adjustments due to retrospective ratings.

TOWN OF NEWINGTON, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	Health Benefits	Insurance Reserve	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,401	\$ 1,082	\$ 8,483
LIABILITIES			
Accounts and Other Payable	1,105	100	1,205
NET POSITION			
Unrestricted	<u>\$ 6,296</u>	<u>\$ 982</u>	<u>\$ 7,278</u>

TOWN OF NEWINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Health Benefits	Insurance Reserve	Total
OPERATING REVENUES			
Charges for Services	\$ 12,310	\$ -	\$ 12,310
Miscellaneous	-	150	150
Total Operating Revenues	<u>12,310</u>	<u>150</u>	<u>12,460</u>
OPERATING EXPENSES			
Benefit Payments	11,792	-	11,792
Administration	412	-	412
Insurance	702	-	702
Casualty Loss	-	157	157
Total Operating Expenses	<u>12,906</u>	<u>157</u>	<u>13,063</u>
OPERATING INCOME (LOSS)	(596)	(7)	(603)
NONOPERATING REVENUE			
Interest on Investments	<u>404</u>	<u>-</u>	<u>404</u>
INCOME (LOSS) BEFORE TRANSFERS	(192)	(7)	(199)
Transfers In	<u>-</u>	<u>125</u>	<u>125</u>
CHANGE IN NET POSITION	(192)	118	(74)
Total Net Position - Beginning of Year	<u>6,488</u>	<u>864</u>	<u>7,352</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 6,296</u></u>	<u><u>\$ 982</u></u>	<u><u>\$ 7,278</u></u>

TOWN OF NEWINGTON, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Health Benefits	Insurance Reserve	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Charges for Services and Other	\$ 12,310	\$ 150	\$ 12,460
Cash Paid to Vendors	(12,866)	(300)	(13,166)
Net Cash Provided by Operating Activities	(556)	(150)	(706)
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES			
Transfers In	-	125	125
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	404	-	404
NET INCREASE IN CASH AND CASH EQUIVALENTS	(152)	(25)	(177)
Cash and Cash Equivalents - Beginning of Year	7,553	1,107	8,660
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,401</u>	<u>\$ 1,082</u>	<u>\$ 8,483</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:			
Operating Income (Loss)	\$ (596)	\$ (7)	\$ (603)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:			
Increase (Decrease) in Accounts and Other Payables	40	(143)	(103)
Net Cash Provided by Operating Activities	<u>\$ (556)</u>	<u>\$ (150)</u>	<u>\$ (706)</u>

FIDUCIARY FUNDS

FIDICUIARY FUNDS

Pension Trust Funds account for the activities of the Town retirement system, which accumulates resources for pension benefit payments to qualified Town employees.

The Other Postemployment Benefits (OPEB) Trust Fund accounts for the activities of the Town's Postemployment Benefits plan, which accumulates resources for health care payments to qualified Town employees.

TOWN OF NEWINGTON, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
TRUST FUNDS
JUNE 30, 2024
(IN THOUSANDS)

	Pension Trust Funds	OPEB Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,024	\$ 1,725	\$ 5,749
Investments:			
Corporate Bonds	4,913	595	5,508
U.S. Government Securities	11,370	1,593	12,963
Common Stocks	60,754	6,824	67,578
Mutual Funds	26,885	1,815	28,700
Accounts Receivable	300	-	300
Total Assets	<u>108,246</u>	<u>12,552</u>	<u>120,798</u>
LIABILITIES			
Accounts Payable	-	18	18
Due to Other Funds	<u>279</u>	<u>-</u>	<u>279</u>
Total Liabilities	<u>279</u>	<u>18</u>	<u>297</u>
NET POSITION			
Restricted for:			
Pension Benefits	107,967	-	107,967
OPEB Benefits	<u>-</u>	<u>12,534</u>	<u>12,534</u>
Total Net Position	<u>\$ 107,967</u>	<u>\$ 12,534</u>	<u>\$ 120,501</u>

TOWN OF NEWINGTON, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUNDS
YEAR ENDED JUNE 30, 2024
(IN THOUSANDS)

	Pension Trust Funds	OPEB Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 7,064	\$ 1,751	\$ 8,815
Plan Members	765	-	765
Total Contributions	<u>7,829</u>	<u>1,751</u>	<u>9,580</u>
Investment Income:			
Net Depreciation in Fair Value of Investments	10,395	1,098	11,493
Interest and Dividends	3,258	343	3,601
Total Investment Income	<u>13,653</u>	<u>1,441</u>	<u>15,094</u>
Less: Investment Expense	353	41	394
Net Investment Income	<u>13,300</u>	<u>1,400</u>	<u>14,700</u>
Total Additions	21,129	3,151	24,280
DEDUCTIONS			
Benefits	10,510	1,863	12,373
Administration	131	45	176
Total Deductions	<u>10,641</u>	<u>1,908</u>	<u>12,549</u>
CHANGE IN NET POSITION	10,488	1,243	11,731
Net Position - Beginning of Year	<u>97,479</u>	<u>11,291</u>	<u>108,770</u>
NET POSITION - END OF YEAR	<u><u>\$ 107,967</u></u>	<u><u>\$ 12,534</u></u>	<u><u>\$ 120,501</u></u>

STATISTICAL SECTION

STATISTICAL SECTION INFORMATION

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

Statistical section information is presented in the following categories:

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

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

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

TABLE 1

TOWN OF NEWINGTON, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017 ⁽²⁾	2016	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 125,120	\$ 110,035	\$ 96,151	\$ 92,888	\$ 86,517	\$ 88,861	\$ 87,484	\$ 86,658	\$ 84,015	\$ 81,409
Restricted	11,618	8,766	1,651	2,967	652	652	671	689	655	654
Unrestricted	(11,574)	(10,559)	(8,646)	(13,620)	(13,344)	(23,102)	(27,772)	(27,309)	(9,527)	(10,359)
Total Governmental Activities										
Net Position	\$ 125,164	\$ 108,242	\$ 89,156	\$ 82,235	\$ 73,825	\$ 66,411	\$ 60,383	\$ 60,038	\$ 75,143	\$ 71,704

Note: Schedule prepared on the accrual basis of accounting.

⁽¹⁾ Restated for GASB 68

⁽²⁾ Restated for GASB 75

TABLE 2

TOWN OF NEWINGTON, CONNECTICUT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES										
General Government	\$ 8,905	\$ 9,305	\$ 10,711	\$ 10,459	\$ 9,359	\$ 7,086	\$ 8,099	\$ 8,890	\$ 7,546	\$ 6,049
Public Safety	17,275	18,125	16,344	12,886	14,151	15,296	14,808	14,723	14,633	12,955
Public Works	13,360	12,690	12,325	12,318	12,246	11,807	11,380	10,581	10,172	10,032
Community Planning and Development	895	945	830	819	1,078	850	1,041	1,033	1,733	1,083
Health and Community Services	2,031	2,056	2,025	2,191	2,091	2,316	1,962	2,084	1,930	1,756
Library	2,655	2,485	2,337	2,320	2,538	2,537	2,470	2,421	2,452	2,261
Parks and Recreation	5,302	5,604	4,574	4,093	3,978	3,897	3,671	3,516	3,478	3,179
Education	103,037	106,664	95,651	103,367	89,321	82,768	90,949	87,205	80,656	79,776
Interest on Long-Term Debt	1,019	749	610	600	629	141	216	170	210	279
Total Governmental Activities Expenses	154,479	158,623	145,407	149,053	135,391	126,698	134,596	130,623	122,810	117,370
PROGRAM REVENUES										
Charges for Services:										
General Government	3,167	2,806	1,106	891	681	579	672	735	602	625
Public Safety	81	89	109	87	64	82	72	70	85	177
Public Works	26	28	29	38	102	52	147	36	24	27
Community Planning and Development	592	1,364	674	465	331	364	301	360	387	392
Health and Community Services	28	26	6	3	37	61	54	53	55	49
Library	23	20	10	7	31	39	26	23	23	22
Parks and Recreation	2,213	1,951	1,675	760	1,364	1,362	1,282	1,402	1,081	1,016
Education	1,777	1,207	1,121	935	1,252	1,217	1,254	1,235	1,209	1,261
Operating Grants and Contributions	35,853	40,508	31,083	43,324	29,589	22,102	32,035	29,667	24,745	23,939
Capital Grants and Contributions	8,660	13,977	3,456	726	686	1,034	864	1,331	2,342	3,427
Total Governmental Activities Program Revenues	52,420	61,976	39,269	47,236	34,137	26,892	36,707	34,912	30,553	30,935
NET EXPENSE										
Governmental Activities	(102,059)	(96,647)	(106,138)	(101,817)	(101,254)	(99,806)	(97,889)	(95,711)	(92,257)	(86,435)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes	109,238	107,981	107,953	104,935	105,527	102,479	96,189	93,918	92,051	89,211
Grants and Contributions Not Restricted to Specific Purposes	4,974	4,126	4,031	2,591	2,248	2,257	1,302	3,427	3,172	3,117
Unrestricted Investment Earnings	3,612	2,291	(302)	1,037	804	1,029	485	139	98	86
Miscellaneous	1,157	1,335	1,377	904	89	69	258	236	375	363
Total Governmental Activities	118,981	115,733	113,059	109,467	108,668	105,834	98,234	97,720	95,696	92,777
CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 16,922</u>	<u>\$ 19,086</u>	<u>\$ 6,921</u>	<u>\$ 7,650</u>	<u>\$ 7,414</u>	<u>\$ 6,028</u>	<u>\$ 345</u>	<u>\$ 2,009</u>	<u>\$ 3,439</u>	<u>\$ 6,342</u>

Note: Schedule prepared on the accrual basis of accounting.

TABLE 3

TOWN OF NEWINGTON, CONNECTICUT
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	2,601	2,601	2,691	2,361	2,361	297	297	1,217	515	-
Assigned	5,843	6,044	6,102	6,674	7,620	5,970	5,970	5,406	6,460	5,370
Unassigned	32,875	30,139	38,783	27,128	21,975	15,278	15,278	14,621	14,981	15,999
Total General Fund	<u>\$ 41,319</u>	<u>\$ 38,784</u>	<u>\$ 47,576</u>	<u>\$ 36,163</u>	<u>\$ 31,956</u>	<u>\$ 21,545</u>	<u>\$ 21,545</u>	<u>\$ 21,244</u>	<u>\$ 21,956</u>	<u>\$ 21,369</u>
All Other Governmental Funds:										
Nonspendable	\$ 147	\$ 160	\$ 81	\$ 36	\$ 74	\$ 72	\$ 72	\$ 50	\$ 61	\$ 43
Restricted	2,233	3,376	1,536	1,570	1,508	1,372	1,372	1,442	1,508	1,665
Committed	24,541	21,502	16,670	14,453	17,360	12,099	12,099	12,647	11,671	10,215
Unassigned	(17,481)	(3,791)	(4,305)	(3,799)	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 9,440</u>	<u>\$ 21,247</u>	<u>\$ 13,982</u>	<u>\$ 12,260</u>	<u>\$ 18,942</u>	<u>\$ 13,543</u>	<u>\$ 13,543</u>	<u>\$ 14,139</u>	<u>\$ 13,240</u>	<u>\$ 11,923</u>

Note: Schedule prepared on the modified accrual basis of accounting.

TABLE 4

TOWN OF NEWINGTON, CONNECTICUT
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Property Taxes	\$ 109,123	\$ 108,038	\$ 107,469	\$ 105,253	\$ 106,053	\$ 102,616	\$ 95,968	\$ 93,725	\$ 92,240	\$ 89,177
Payment in Lieu of Taxes	3,895	3,882	3,776	1,999	2,000	2,002	968	2,409	2,811	2,731
Licenses, Fees, and Permits	551	1,353	631	465	322	315	306	337	396	361
Intergovernmental	45,200	47,843	37,416	31,943	30,283	28,801	27,669	31,714	27,290	27,606
Contributions	94	98	103	67	67	79	93	180	28	67
Rental	219	213	188	122	203	227	206	172	172	180
Investment Income	3,208	2,032	(321)	1,031	750	977	454	124	93	83
Fines	26	30	24	19	26	27	29	23	35	155
Charges for Services	4,642	3,892	3,802	2,542	3,205	3,089	3,135	3,360	2,852	2,817
Other	1,301	1,487	1,516	1,075	430	289	399	418	509	513
Total Revenues	168,259	168,868	154,604	144,516	143,339	138,422	129,227	132,462	126,426	123,690
EXPENDITURES										
General Government	6,457	6,069	5,489	5,298	5,089	5,072	4,892	4,919	4,557	4,581
Public Safety	9,812	9,357	9,293	8,976	8,480	8,818	8,420	8,433	8,275	7,985
Public Works	5,455	5,242	5,051	5,212	5,018	4,965	5,144	4,702	4,625	4,945
Community Planning and Development	590	662	559	561	559	584	552	576	1,248	638
Health and Community Services	1,504	1,478	1,386	1,212	1,419	1,416	1,392	1,384	1,375	1,382
Library	1,865	1,746	1,653	1,644	1,751	1,808	1,760	1,727	1,769	1,728
Parks and Recreation	3,597	3,373	3,171	2,728	2,772	2,825	2,647	2,554	2,458	2,373
Education	102,489	100,274	94,717	89,779	86,808	86,905	82,283	85,737	79,459	77,530
Miscellaneous	17,171	16,196	15,715	16,205	16,204	15,829	14,791	14,201	13,668	12,063
Capital Outlay	28,253	23,352	11,256	13,036	25,248	6,856	6,193	7,930	5,099	6,248
Debt Service:										
Principal	2,335	1,850	1,865	1,875	1,140	695	1,025	1,050	1,555	2,070
Interest	1,968	1,149	2,001	1,100	909	388	423	304	209	273
Total Expenditures	181,496	170,748	152,156	147,626	155,397	136,161	129,522	133,517	124,297	121,816
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,237)	(1,880)	2,448	(3,110)	(12,058)	2,261	(295)	(1,055)	2,129	1,874
OTHER FINANCING SOURCES (USES)										
Bonds Issued	-	-	-	-	15,000	9,000	-	-	-	-
Bond Refunding Issued	-	475	-	-	-	-	-	-	-	-
Premium on Bond Issuance	67	10,000	-	-	1,052	715	-	-	-	-
Notes Issued	4,023	-	815	-	-	-	-	1,415	-	-
Transfers In	6,733	10,564	7,975	3,958	5,628	4,074	3,488	6,377	5,962	5,162
Transfers Out	(6,858)	(10,689)	(8,100)	(4,083)	(5,753)	(4,109)	(3,488)	(6,550)	(6,187)	(5,167)
Total Other Financing Sources (Uses)	3,965	10,350	690	(125)	15,927	9,680	-	1,242	(225)	(5)
NET CHANGE IN FUND BALANCE	<u>\$ (9,272)</u>	<u>\$ 8,470</u>	<u>\$ 3,138</u>	<u>\$ (3,235)</u>	<u>\$ 3,869</u>	<u>\$ 11,941</u>	<u>\$ (295)</u>	<u>\$ 187</u>	<u>\$ 1,904</u>	<u>\$ 1,869</u>
Debt Service as a Percentage of Noncapital Expenditures	2.79%	2.73%	2.21%	1.57%	0.88%	1.11%	1.08%	1.49%	2.04%	1.91%

Note: Schedule prepared on the modified accrual basis of accounting.

TABLE 5

TOWN OF NEWINGTON, CONNECTICUT
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES, BY SOURCE
LAST TEN FISCAL YEARS
(IN THOUSANDS)

Fiscal Year Ended June 30,	Taxes and Special Assessments	Licenses and Permits	Intergovernmental Revenue ⁽¹⁾	Charges for Services	Investment Earnings	Miscellaneous Revenues ⁽²⁾	Other Financing Sources ⁽³⁾	Total
2024	\$ 113,018	\$ 533	\$ 34,933	\$ 719	\$ 2,752	\$ 150	\$ 278	\$ 152,383
2023	108,016	1,334	22,835	767	1,758	463	544	135,717
2022	107,312	613	20,412	1,063	(108)	993	620	130,905
2021	105,253	446	18,426	849	90	1,717	906	127,687
2020	106,053	307	17,169	640	460	448	671	125,748
2019	102,616	296	16,263	566	791	466	749	121,747
2018	95,968	289	14,276	763	378	285	124	112,083
2017	93,725	319	18,523	692	78	345	119	113,801
2016	92,240	380	18,651	558	76	342	223	112,470
2015	89,177	345	18,421	544	74	608	331	109,500

Includes General Fund revenues, reported on a budgetary basis.

⁽¹⁾ Includes federal grants, state of Connecticut grants including education grants, and state payments-in-lieu of taxes.

⁽²⁾ Includes rentals, refunds and reimbursements, sale of Town property, fines, other receipts, and cancellation of prior year encumbrances.

⁽³⁾ Includes transfers from other funds.

TABLE 6

TOWN OF NEWINGTON, CONNECTICUT
GENERAL GOVERNMENTAL EXPENDITURES AND OTHER FINANCING USES, BY FUNCTION
LAST TEN FISCAL YEARS
(IN THOUSANDS)

Fiscal Year Ended June 30,	General Government	Public Safety	Public Works and Community Development	Health and Community Services	Parks, Recreation and Library	Debt Service; Metropolitan District Commission Miscellaneous ⁽¹⁾	Board of Education ⁽²⁾	Other Financing Uses ⁽³⁾	Total
2024	\$ 6,447	\$ 9,641	\$ 6,035	\$ 1,252	\$ 3,761	\$ 8,320	\$ 95,695	\$ 12,351	\$ 143,502
2023	5,880	9,292	5,803	1,244	3,589	18,904	78,569	10,226	133,507
2022	5,492	9,173	5,580	1,222	3,344	18,524	76,695	8,179	128,209
2021	4,932	8,902	5,724	1,068	3,457	19,081	75,049	4,519	122,732
2020	4,930	8,492	5,597	1,245	3,445	18,090	74,088	5,752	121,639
2019	5,180	8,661	5,515	1,222	3,448	16,616	71,942	4,412	116,996
2018	4,715	8,447	5,288	1,163	3,350	15,938	70,385	3,040	112,326
2017	4,677	8,367	5,242	1,175	3,283	15,391	69,392	6,431	113,958
2016	4,678	8,177	5,160	1,180	3,322	14,921	69,326	5,958	112,722
2015	4,499	7,958	5,406	1,160	3,254	13,742	67,979	4,836	108,834

Note: Includes General Fund expenditures, reported on a budgetary basis.

⁽¹⁾ Includes Debt Service payments, the Metropolitan District Commission sewer levy on Newington and Miscellaneous (the Town's liability insurance, employee benefits, settlements, contingency, Greater Hartford Transit District contribution and special community activities).

⁽²⁾ Represents appropriation for Board of Education budget. Additional funding for Board of Education purposes is included in other functions such as Debt Service, Capital Improvements, and Other Financing Uses (transfers to other funds).

⁽³⁾ Includes funding for ongoing capital projects and transfers to other funds.

TABLE 7

TOWN OF NEWINGTON, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS)

Fiscal Year	Real Property			Personal Property	Motor Vehicle ⁽²⁾	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate ⁽⁵⁾	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value ⁽³⁾
	Residential	Commercial	Industrial							
2024	\$ 1,701,413	\$ 486,845	\$ 151,794	\$ 308,565	\$ 372,117	\$ (113,384)	\$ 2,907,350	38.36 *	\$ 5,677,082	51.21 %
2023	1,708,151	490,307	157,408	298,651	338,021	(113,156)	2,844,090	38.49 *	5,270,222	53.97
2022	1,707,063	491,770	157,723	274,329	281,896	(112,822)	2,799,959	38.81	3,999,941	70.00
2021 (5)	1,667,114	521,737	73,815	271,991	266,945	(117,051)	2,684,551	39.28	4,210,605	63.76
2020	1,665,807	521,129	73,511	254,172	267,815	(107,847)	2,674,587	39.45	4,039,763	66.21
2019	1,656,510	533,734	70,988	240,897	274,739	(152,250)	2,624,618	38.50	4,227,650	62.08
2018	1,651,907	535,584	69,484	221,486	259,873	(146,816)	2,591,518	36.59	3,912,907	66.23
2017 (1)	1,636,728	532,428	86,198	216,315	254,019	(93,817)	2,631,871	35.75	3,759,815	66.95
2016	1,634,230	450,371	122,672	214,781	246,442	(89,521)	2,578,975	35.80	3,852,014	66.95
2015	1,628,724	453,595	122,526	205,348	246,150	(80,901)	2,575,442	34.77	3,834,825	70.00

Source: Town of Newington Office of Tax Assessor

Notes: Assessment rate is 70% of market value.

Town of Newington has no Overlapping Property Tax Rates.

(1) Real property revalued as of October 1, 2015 Grand List.

(2) Includes net supplemental motor vehicle assessments.

(3) Sales ratios from Connecticut Office of Policy and Management.

(4) Real property revalued as of October 1, 2011 Grand List.

(5) Real property revalued as of October 1, 2019 Grand List

TABLE 8

**TOWN OF NEWINGTON, CONNECTICUT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(IN THOUSANDS)**

Taxpayer	October 1, 2021			October 1, 2012		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Connecticut Light & Power Co	\$ 79,368	1	2.73 %	\$ 37,283	1	1.42 %
Brixmor Ga Turnpike Plaza LLC	20,150	2	0.83			
Newington Gross LLC	19,529	3	0.79	17,150	7	0.65
TLG Newington LLC	18,547	4	0.75	17,840	5	0.68
Newington VF LLC	18,200	5	0.72	19,941	4	0.76
IREIT Newington Fair LLC	16,405	6	0.71	20,840	3	0.79
475 Willard Associates LLC (Shelbourne)	15,375	7	0.70			
Hayes Kaufman Newington	14,280	8	0.55	12,904	9	0.49
CNG	13,358	9	0.55			
Target Corporation	11,134	10	0.54	10,830	11	0.41
NE Farmington Owner LLC	10,098	11	0.47			
Lowes Home Centers Inc #623	9,800	12	0.46	9,870	14	0.37
Agree Eastern LLC	9,541	13	0.46			
Furniture Executives No 4 LP	8,820	14	0.44	9,800	15	0.37
Hartford Hospital	7,499	15	0.35			
Cohen Family limited Partnership	7,174	16	0.34			
Brown Development LLC	6,909	17	0.33			
Total	<u>\$ 286,187</u>		<u>9.84 %</u>	<u>\$ 156,458</u>		<u>6.90 %</u>

Source: Town of Newington, Office of Tax Assessor

TABLE 9

**TOWN OF NEWINGTON, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

Fiscal Year Ended June 30,	Tax Rate In Mills ⁽¹⁾	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of Levy		Collections In Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2024	39.67	\$ 108,228	\$ 107,168	99.02 %	\$ -	\$ -	- %
2023	38.49	107,246	106,369	99.19	262	106,631	99.43
2022	38.81	106,595	105,758	99.22	61	105,819	99.27
2021	39.28	104,581	103,866	99.32	546	104,412	99.84
2020	39.45	104,725	104,018	99.33	550	104,568	99.85
2019	38.50	101,640	100,811	99.18	713	101,524	99.89
2018	36.59	95,685	94,774	99.05	824	95,598	99.91
2017	35.75	93,302	92,629	99.28	590	93,219	99.91
2016	35.80	91,453	90,810	99.30	543	91,353	99.89
2015	34.77	88,599	87,879	99.19	605	88,484	99.87

Source: Tax Collector's Report; Annual Comprehensive Financial Report

⁽¹⁾ The Town of Newington has a single tax rate as such there are no separate components.

TABLE 10

**TOWN OF NEWINGTON, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)**

Fiscal Year	Governmental Activities					Total Primary Government	Ratio of Debt to Taxable Assessed Value	Debt as a Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Mortgage Payable	Leases Payable	Subscription Liability	Direct Borrowing				
2024	\$ 29,913	\$ -	\$ 857	\$ 25	\$ 3,900	\$ 34,695	1.19%	2.77%	\$ 1,136
2023	32,488	-	1,655	69	575	34,787	1.22%	3.06%	1,137
2022	24,074	-	-	-	734	24,808	0.89%	2.07%	812
2021	26,283	-	-	-	222	26,505	0.99%	2.66%	867
2020	28,289	-	-	-	510	28,799	1.08%	2.89%	942
2019	13,449	-	-	-	794	14,243	0.54%	1.44%	466
2018	4,465	-	-	-	1,074	5,539	0.21%	0.55%	181
2017	5,220	-	-	-	1,280	6,500	0.25%	0.64%	213
2016	6,597	15	-	-	-	6,612	0.26%	0.66%	216
2015	7,674	515	-	-	-	8,189	0.32%	0.84%	268

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

TOWN OF NEWINGTON, CONNECTICUT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year	General Obligation Bonds	Premiums	Mortgage Payable	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property	Debt Per Capita
2024	\$ 28,435	\$ 1,478	\$ -	\$ 29,913	0.53 %	\$ 980
2023	30,770	1,718	-	32,488	0.62	1,064
2022	22,620	1,454	-	24,074	0.60	788
2021	24,485	1,798	-	26,283	0.63	925
2020	26,360	1,929	-	28,289	0.72	926
2019	12,500	949	-	13,449	0.34	440
2018	4,195	270	-	4,465	0.14	146
2017	4,914	306	-	5,220	0.17	171
2016	6,255	342	15	6,612	0.35	216
2015	7,295	379	515	8,189	0.41	268

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

TOWN OF NEWINGTON, CONNECTICUT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024
(IN THOUSANDS)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Shares of Direct and Overlapping Debt</u>
Debt Repaid with Property Taxes - Metropolitan District Commission	\$ 864,215	9.00 %	\$ 77,779
Town Direct Debt	34,695	100.00	34,695
Total Direct and Overlapping Debt			<u>\$ 112,474</u>

Source: Metropolitan District Commission

Note: Metropolitan District overlapping debt for each member town is divided among the member towns in proportion to the total revenue each received from property taxation, as averaged over the prior three years. Town of Newington reports overlapping debt on a net basis.

TOWN OF NEWINGTON, CONNECTICUT
STATEMENT OF DEBT LIMITATION
JUNE 30, 2024
(IN THOUSANDS)

Total Tax Collections (Including Fire District)					\$ 107,248
Property Tax Relief Elderly					-
Base					<u>\$ 107,248</u>
	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2-1/4 Times Base	\$ 241,308	\$ -	\$ -	\$ -	\$ -
4-1/2 Times Base	-	482,616	-	-	-
3-3/4 Times Base	-	-	402,180	-	-
3-1/4 Times Base	-	-	-	348,556	-
3 Times Base	-	-	-	-	321,744
Total Debt Limitation	<u>241,308</u>	<u>482,616</u>	<u>402,180</u>	<u>348,556</u>	<u>321,744</u>
Indebtedness:					
Bonds Payable	14,248	14,187	-	-	-
Lease Payable	3,900	-	-	-	-
Town's Share of Metropolitan District Debt	-	-	77,606	-	-
Bonds Authorized - Unissued	<u>4,800</u>	<u>13,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>22,948</u>	<u>27,437</u>	<u>77,606</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Net Debt	<u>\$ 218,360</u>	<u>\$ 455,179</u>	<u>\$ 324,574</u>	<u>\$ 348,556</u>	<u>\$ 321,744</u>

Note: In no event shall total indebtedness exceed seven times annual receipts from taxation or \$751 million.

TABLE 14

**TOWN OF NEWINGTON, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(IN THOUSANDS)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Limitation	\$ 750,736	\$ 746,004	\$ 732,536	\$ 738,311	\$ 714,119	\$ 668,724	\$ 654,045	\$ 643,657	\$ 622,300	\$ 597,394
Total Net Debt Applicable to Limit	127,991	122,579	101,710	108,289	112,776	109,819	94,664	91,942	88,616	60,129
Legal Debt Margin	<u>\$ 622,745</u>	<u>\$ 623,425</u>	<u>\$ 630,826</u>	<u>\$ 630,022</u>	<u>\$ 601,343</u>	<u>\$ 558,905</u>	<u>\$ 559,381</u>	<u>\$ 551,715</u>	<u>\$ 533,684</u>	<u>\$ 537,265</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.05 %	16.43 %	13.88 %	14.67 %	16.42 %	14.47 %	14.28 %	14.24 %	10.07 %	11.09 %

Source: Annual comprehensive financial report - Schedule of Debt Limitation

Note: See Table 13 for calculation of current year debt limitation.

TABLE 15

**TOWN OF NEWINGTON, CONNECTICUT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population ⁽¹⁾	Personal Income in Thousands ⁽¹⁾	Per Capita Income ⁽¹⁾	Median Age ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2024	30,536	\$ 1,254,391	\$ 47,853	45.0	3,859	0.0 %
2023	30,493	1,135,699	43,209	46.0	3,913	0.0
2022	30,536	1,200,303	40,507	46.1	3,900	0.0
2021	30,536	996,663	32,561	45.0	3,951	0.1
2020	30,562	995,362	39,117	45.0	3,993	0.0
2019	30,562	991,267	38,179	45.0	4,051	0.0
2018	30,562	1,013,334	38,255	45.0	4,035	0.0
2017	30,562	1,011,414	38,192	44.0	1,163	0.0
2016	30,562	998,187	37,061	44.0	4,030	0.0
2015	30,562	979,402	36,462	44.0	4,103	0.1

⁽¹⁾ Source: Bureau of Census, 2010 Census and 2000 Census

⁽²⁾ Source: Connecticut Economic Resource Center

⁽³⁾ Source: Annual Town Budget

⁽⁴⁾ Source: Connecticut Labor Department

**TOWN OF NEWINGTON, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Nature of Business	2024 ⁽¹⁾			2014 ⁽²⁾		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Hartford Hospital-Newington Campus	Health Services	1,481	1	9.0 %	750	2	4.70%
Town of Newington	Government	1,175	2	7.1	664	3	4.10%
Connecticut Department of Transportation	Government	1,082	3	6.5	1,025	1	6.40%
Data-Mail, Inc.	Direct Mail Service	554	4	3.4	421	5	2.60%
Stew Leonards	Grocery	290	5	1.8	290	6	1.70%
Newington Rapid Recovery Health Care Center	Health Services	257	6	1.6	257	8	1.60%
Veterans Administration Hospital	Health Services	238	7	1.4	451	4	2.80%
Davidson Specialty Food, LLC	Distributor	230	8	1.4	249	9	1.50%
Walmart	Retail Trade	210	9	1.3	210	10	1.30%
Target	Retail Trade	208	10	1.3	210	11	1.30%
Total		5,725		34.6 %	4,527		0.3 %

⁽¹⁾ Source: Connecticut Labor Department

⁽²⁾ Source: Town of Newington, Annual Comprehensive Financial Report

TABLE 17

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

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government	46	46	45	44	44	44	45	44	44	45
Police	67	66	66	66	66	65	65	64	63	63
Fire	5	3	2	2	2	2	2	2	2	2
Refuse collection	-	-	-	-	-	-	-	-	-	-
Public works	24	25	25	26	26	26	26	26	26	26
Parks and recreation	21	21	21	20	20	20	19	19	19	19
Library	16	14	14	14	14	14	14	14	14	14
Education	<u>546</u>	<u>542</u>	<u>543</u>	<u>528</u>	<u>512</u>	<u>507</u>	<u>508</u>	<u>515</u>	<u>515</u>	<u>510</u>
Total	<u><u>725</u></u>	<u><u>717</u></u>	<u><u>716</u></u>	<u><u>700</u></u>	<u><u>684</u></u>	<u><u>678</u></u>	<u><u>679</u></u>	<u><u>684</u></u>	<u><u>683</u></u>	<u><u>679</u></u>

Source: Annual Town Budgets and Bond Official Statements

TABLE 18

**TOWN OF NEWINGTON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government:										
Building Permits Issued	2,175	2,315	2,255	2,316	1,912	1,865	1,909	1,836	2,255	2,157
Value of Permits (000s)	45,771	105,197	64,096	34,621	26,057	50,445	21,496	27,956	30,203	30,259
Police:										
Larcenies	1,088	1,060	1,114	1,283	937	903	902	788	670	640
Calls for Service	30,100	26,606	24,543	23,817	22,915	23,566	26,766	25,472	26,049	28,718
Traffic Violations	3,655	3,683	2,836	2,331	2,874	3,841	4,962	6,061	5,355	8,205
Fire:										
Emergency Responses	897	763	755	836	570	618	616	600	607	598
Residential Responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	70	54
Inspections	966	1,076	1,017	480	438	878	878	689	758	549
Refuse Collection:										
Refuse Collected (Annual Tonnage)	10,246	10,160	8,821	8,924	8,585	8,415	8,397	8,213	8,290	9,092
Recyclables Collected (Annual Tonnage)	2,266	2,294	2,352	2,497	2,467	2,521	2,694	2,775	2,845	2,810
Other Public Works:										
Street Reconstruction (Linear Feet)	-	-	-	-	-	-	1,125	320	1,050	1,067
Street Resurfacing (Linear Feet)	35,640	35,534	34,848	25,027	21,067	22,598	13,500	18,741	15,820	15,241
Library:										
Total Volumes Borrowed (000s)	262	259	191	214	227	300	310	329	350	375

Town of Newington Annual Reports and Capital Budgets

TABLE 19

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

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	4	4	4	4	4	4	4	4	4	4
Police Vehicles	48	47	45	42	41	41	41	41	41	44
Fire Vehicles	25	23	23	24	20	20	17	20	20	20
Public Works:										
Miles of Town Roads	104	104	104	104	104	100	100	100	100	100
Traffic Signals	9	13	13	13	13	13	13	13	13	13
Public Works Vehicles and Equipment	57	56	56	57	56	56	56	56	56	57
Parks and Recreation:										
Acreage	370	370	370	370	370	370	370	370	370	370
Parks and Greens	13	13	13	13	13	13	13	13	13	13
Athletic Fields	7	7	7	7	7	7	7	7	7	7
Playgrounds	5	5	5	5	5	5	5	5	5	5
Public Libraries:										
Libraries	1	1	1	1	1	1	1	1	1	1
Senior Citizens:										
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Mini-Buses	5	5	5	5	5	5	5	5	5	5
Education:										
Schools	7	7	7	7	7	7	7	7	7	7

Source(s): Various Town Departments

**TOWN OF NEWINGTON, CONNECTICUT
MISCELLANEOUS STATISTICS
JUNE 30, 2024**

GENERAL INFORMATION

Incorporated:	1871
Settled:	1678
Form of Government:	Council-Manager
Chief Elected Official:	Mayor
Chief Administrative Officer:	Town Manager
Area of Town:	13.2 square miles
2020 Estimated Population:	30,493

ELECTIONS

Town Elections:	Odd years	
Town Council (members + Mayor)		9
Board of Education (members):		9
Board of Fire Commissioners:		3
Registrars of Voters:		2
Registered Voters (Active) as of		21,157
Republicans	4,179	
Democrats	7,695	
Minor Parties	309	
Unaffiliated	8,974	

TAX STRUCTURE 2023-24

10/1/21 Net Grand List:	\$286,257,043
10/1/21 Net Supplemental List:	\$40,092,239
Mill Rate:	39.67
Assessment Ratio:	70%
Last Revaluation:	10/1/2020

EDUCATION

Total Classroom Teachers	368.0
Public School Enrollment	3,859
Teacher/Pupil ratio:	10.5
2023-234Appropriation per Pupil:	\$21,301

PUBLIC SAFETY - POLICE

# of Police Stations:		1
# of Police Districts:		5-9
# of Police Officers:		
Police Chief	1	
Dispatchers	8	
Police Officers	47	
# of Vehicles:		48

Elementary Schools (PK-4):	4
Students (Oct 2023)	1413

Middle Schools (5-8):	2
Students (Oct 2023)	1163

High School (9-12):	1
Students (Oct 2023)	1283

Special Education	
Students (Oct 2023)	656

PUBLIC SAFETY - FIRE PROTECTION

# of Fire Companies:		4
# of Volunteer Firefighters:		96
# of Vehicles:		25

PUBLIC SAFETY - EMERGENCY MEDICAL SERVICES

# of Volunteers (average):		45
# of Ambulances:		4

FULL-TIME EMPLOYEES (2023-24)

Town General Government:		179
Board of Education (Full-Time Equivalents):		
Certified Teachers	371.0	
Certified - Administration	30.0	
Total Certified	401.0	
Classified Personnel (clerical, custodial, trar	145.0	
	<u>546</u>	546
Total		725.0