

Preliminary Official Statement Dated February 27, 2024

NEW MONEY ISSUE -BOOK-ENTRY-ONLY

MOODY'S RATING:
(See "Rating" herein)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See "Tax Matters" herein.)



TOWN OF NEW CANAAN, CONNECTICUT

\$27,025,000 General Obligation Bonds, Issue of 2024

Dated: Date of Delivery

Due: March 15, 2025-2044 as shown below

The \$27,025,000 General Obligation Bonds, Issue of 2024 (the "Bonds") will be general obligations of the Town of New Canaan, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)

The Bonds will bear interest payable on September 15, 2024 and semiannually thereafter on March 15 and September 15 each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the beneficial owners (as described herein) of the Bonds. (See "Book-Entry-Transfer System" herein.)

The Registrar, Certifying, Transfer and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, in Hartford, Connecticut.

The Bonds are subject to redemption prior to maturity as described herein. (See "Optional Redemption" herein.)

The Bonds are being offered for sale in accordance with an official Notice of Sale dated February 27, 2024. Electronic bids via **PARITY**® for the Bonds will be received until 11:00 A.M. (E.T.) on Tuesday, March 5, 2024, as described in the official Notice of Sale for the Bonds. (See "Appendix D" herein.)

Maturity Schedule and Amounts

Maturity	Amount	Coupon	Yield	CUSIP ¹	Maturity	Amount	Coupon	Yield	CUSIP ¹
2025	\$1,595,000	%	%	643136***	2035	\$1,195,000	%	%	643136***
2026	1,595,000			643136***	2036	1,195,000			643136***
2027	1,595,000			643136***	2037	1,195,000			643136***
2028	1,595,000			643136***	2038	1,195,000			643136***
2029	1,595,000			643136***	2039	1,195,000			643136***
2030	1,420,000			643136***	2040	1,195,000			643136***
2031	1,420,000			643136***	2041	1,195,000			643136***
2032	1,420,000			643136***	2042	1,195,000			643136***
2033	1,420,000			643136***	2043	1,195,000			643136***
2034	1,420,000			643136***	2044	1,195,000			643136***

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about March 19, 2024.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which are numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

No dealer, broker, salesperson or other person has been authorized by the Town of New Canaan, Connecticut (the "Town") to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the Town.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A - "Audited Financial Statements" herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than as to matters expressly set forth in Appendix B herein, Bond Counsel is not passing on and does not assume any responsibility for the sufficiency, accuracy or completeness of the statements made in this Official Statement and makes no representation it has independently verified the same.

The Municipal Advisor (as defined herein) to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism; and (xi) other factors contained in this Official Statement.

The Town deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

BOND COUNSEL
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Hartford, Connecticut
(860) 424-4348

MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC
Madison, Connecticut
(203)-421-2880

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BOND ISSUE SUMMARY

The information in this Bond Issue Summary and cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Tuesday, March 5, 2024 at 11:00 A.M (E.T.)
Issuer:	Town of New Canaan, Connecticut (the "Town").
Issue:	\$27,025,000 General Obligation Bonds, Issue of 2024 (the "Bonds").
Dated Date:	The date of delivery.
Principal Due:	Principal due on March 15 in each of the years 2025 through 2044, inclusive.
Interest Due:	Interest payable semiannually on March 15 and September 15 in each year until maturity, commencing September 15, 2024.
Authorization and Purpose:	Proceeds of the Bonds will be used to finance various capital improvements projects authorized by the Town Council. (See "Authorization and Purpose" herein.)
Security:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds are rated [] by Moody's Investors Service, Inc. ("Moody's"). The Town has received a long-term rating on its outstanding general obligation bonds of [] from Moody's.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Bonds shall <u>not</u> be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Optional Redemption:	The Bonds are subject to optional redemption prior to maturity. (See "Optional Redemption" herein.)
Continuing Disclosure:	See Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying and Paying Agent:	U.S. Bank Trust Company, National Association, Hartford, Connecticut.
Legal Opinion:	Pullman & Comley, LLC of Hartford, Connecticut will act as Bond Counsel. (See Appendix B to this Official Statement.)
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about March 19, 2024, in New York, New York, against payment in Federal funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Ms. Anne Kelly-Lenz, Chief Financial Officer, Town of New Canaan, 77 Main Street, New Canaan, Connecticut 06840, Telephone (203) 594-3024.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (203) 421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, has been prepared by the Town of New Canaan, Connecticut (the "Town") in connection with the issuance and sale of \$27,025,000 General Obligation Bonds, Issue of 2024 (the "Bonds") of the Town.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery, and will mature in annual installments on March 15 in each of the years and in the principal amounts as set forth on the cover page hereof. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on September 15, 2024 and semiannually thereafter on March 15 and September 15 in each year until maturity. Interest on the Bonds will be payable to the registered owners of the Bonds as of the close of business on the last business day of February and August in each year.

The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Transfer System" herein.) The Registrar, Certifying, Transfer and Paying Agent will be U.S. Bank Trust Company, National Association, of Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Pullman & Comley, LLC, of Hartford, Connecticut, in substantially the form set forth in Appendix B to this Official Statement. The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein.)

RATING

The Bonds have been rated [] by Moody's Investors Service, Inc. ("Moody's"). The rating on the Town's outstanding bonds has recently been affirmed as [] by Moody's. Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's bonds.

OPTIONAL REDEMPTION

The Bonds maturing on or before March 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after March 15, 2030, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the redemption price or prices (expressed as a percentage of principal amount of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
March 15, 2030 and thereafter	100%

NOTICE OF REDEMPTION

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the registered owner of such Bonds at the address of such registered owner as it appears on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the

validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as a book-entry system is used for the Bonds, the Town will send any notice of redemption only to DTC (or a successor securities depository) or its nominee.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

AUTHORIZATION AND PURPOSE

Authorization. The Bonds are being issued pursuant to various resolutions adopted by the Town Council.

Purpose. The Bonds and being issued to finance various capital improvements projects authorized by the Town Council as described herein.

<u>Project</u>	<u>Total Bond Authorization</u>	<u>Prior Debt</u>	<u>Grants & Other Proceeds Applied</u>	<u>The Bonds (This Issue)</u>
Police Station Renovation 2018.....	\$ 500,000	\$ 57,800	\$ 4,301	\$ 437,899
Waveny House 2018.....	1,000,000	959,756	-	40,244
Nature Center 2018.....	369,591	152,598	-	55,154
Schools 2020 Project.....	2,148,500	1,580,509	-	299,641
DPW Parks 2020 Project.....	505,500	417,845	-	85,710
DPW Admin.& Engineering 2020 Project.....	2,600,000	2,383,638	-	184,605
DPW Town Buildings 2020 Project.....	1,375,620	1,096,043	-	253,694
Information Technology 2021 Project.....	135,000	75,000	-	60,000
Police Department Cameras 2021 Project.....	226,000	-	-	226,000
DPW Town Buildings 2021 Project.....	1,300,400	224,970	-	870,600
DPW Administration and Engineering 2021 Project.....	2,900,000	750,000	-	1,800,000
DPW Highway 2021 Project.....	560,000	91,500	-	240,000
DWP Parks 2021 Project.....	891,000	335,721	-	393,928
Schools Boilers and Parking Lots 2021 Project.....	1,365,734	1,068,230	-	100,000
Information Technology 2022 Project.....	160,000	-	-	160,000
DPW Town Buildings 2022 Project	1,084,000	-	-	819,993
DPW Administration and Engineering 2022 Project	2,795,000	-	-	2,640,443
DPW Highways 2022 Project	530,000	-	-	78,000
DPW Parks 2022 Project	1,537,500	-	-	1,056,485
Schools 2022 Project.....	2,633,750	-	-	2,533,744
Innovation Center 2022 Project	200,000	-	-	200,000
Planetarium 2022 Project.....	350,000	-	-	350,000
Playhouse Theatre 2022 Project.....	1,000,000	-	-	1,000,000
Waveny House ADA Upgrades Phase II & III 2022 Project....	3,002,180	-	-	3,002,180

Project	Total Bond Authorization	Prior Debt	Grants & Other Proceeds Applied	The Bonds (This Issue)
220 Elm Street 2023 Project (Renovations).....	1,359,000	-	-	1,356,500
28 Grove Street 2023 Project (Purchase).....	994,775	-	-	994,775
Tax Assessor 2023 Project.....	215,000	-	-	215,000
Information Technology 2023 Project.....	210,000	-	-	210,000
Emergency Management 2023 Project.....	136,216	-	-	136,215
Police Vehicle 2023 Project.....	360,000	-	-	280,000
DPW Town Buildings 2023 Project.....	1,940,750	-	-	1,366,750
Playhouse Theatre 2023 Project.....	4,085,000	-	-	350,000
Police Station 2023 Project.....	27,500,000	-	-	1,200,000
DPW Administration and Engineering 2023 Project.....	4,331,935	-	-	1,395,000
DPW Parks 2023 Project.....	1,327,500	-	-	560,500
Schools 2023 Project.....	3,250,750	-	-	1,135,000
School Security 2023 Project.....	936,940	-	-	936,940
Total.....	<u>\$ 75,817,641</u>	<u>\$ 9,193,610</u>	<u>\$ 4,301</u>	<u>\$ 27,025,000</u>

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of the occurrence of such events; and (iii) timely notice of a failure by the Town to provide the required annual financial information with respect to the Bonds on or before the date specified in the Continuing Disclosure Agreement for the Bonds in substantially the form attached as Appendix C to this Official Statement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Within the last five years, the Town has not failed to comply in any material respect with its undertakings under such agreements. In August 2014 the Town adopted continuing disclosure procedures to ensure compliance with the requirements of Rule 15c2-12(b)(5) and has subsequently contracted with its municipal advisor to undertake future filings on its behalf.

TAX MATTERS

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

Bond Counsel's opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

Original Issue Discount. The initial public offering prices of certain maturities of the Bonds may be less than the stated

principal amount (the “OID Bonds”). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner’s basis. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts payable at maturity (the “OIP Bonds”). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

Changes in Federal and State Tax Law. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment

of interest on the Bonds.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

SECURITY AND REMEDIES

The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. There was, however, no such classified property on the last completed Grand List of the Town and, under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received but for the limitation on its power to tax such dwelling houses, subject to State appropriations of such amounts.

Payment of principal and interest on the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds. There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such bonds would also be subject to the applicable provisions of federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the U.S. Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Connecticut General Statutes Section 7-566 provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district or any other political subdivision of the State having power to levy taxes or issue bonds or other obligations.

THE TOWN OF NEW CANAAN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES

QUALIFICATIONS FOR FINANCIAL INSTITUTIONS

The Bonds shall NOT be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

GLOBAL HEALTH EMERGENCY RISK

The COVID-19 Outbreak and Future Pandemics

On January 30, 2020, the outbreak of COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the “State”) and took steps to mitigate the spread and impacts of COVID-19. As of May 11, 2023, the federal and State public health emergency declarations have been terminated.

In response to the COVID-19 pandemic, on March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”) that provided various forms of financial assistance and other relief to state and local governments. The Town received \$5.9 million from the Rescue Plan. The Town developed a plan for the use of such funds that will focus on infrastructure improvements and other initiatives that comply with the program eligibility criteria.

For up-to-date information concerning the State’s actions in response to COVID-19, see <https://portal.ct.gov/coronavirus>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on its website and such parties take no responsibility for the accuracy thereof.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the Town.

Pandemics, epidemics and other public health emergencies, may adversely impact the Town and its revenues, expenses and financial condition. The Town cannot predict the duration and extent of such pandemics, epidemics and other health emergencies, or quantify the magnitude of their ultimate impact on the State and regional economy, or on the revenues and expenses of the Town. Pandemics, epidemics and other health emergencies may be ongoing, and their dynamic nature may lead to many uncertainties, including (i) the geographic spread as they evolve; (ii) the severity as they mutate; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate future outbreaks; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local, State or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Town revenues, expenses and financial condition.

Prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the State or federal government.

CYBERSECURITY

The Town like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. The Town takes cybersecurity very seriously and has added many tools such as access controls, next generation data retention solutions, artificial intelligence threat detection and prevention and mandatory cyber security training for all employees to help defend and mitigate potential risks. The Town follows the MS-ISAC guidelines for network, server, and desktop parameters for best practices. Within the past year, the State of Connecticut Military Department performed a Cyber Security Assessment of the Town giving the Town a risk assessment considered low. The Town’s Information Technology department recently completed a two-day FERMA course by TEEEX (National Emergency Response and Recovery) that included a full Cyber Security scenario. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town’s digital networks and systems and the costs of remedying any such damage could be substantial.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the Town is vulnerable to inland wetland, small river and stream flooding. Furthermore, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town has a very active program of tree inspections and removals, in coordination with the Town’s electrical utility provider. The Town cannot predict the timing, extent or severity of climate change and its impact on its operations and finances. The Town holds sufficient reserves and annually budgets for contingencies to address unforeseen expenses including the increasing frequency of severe weather so that the Town can quickly respond and recover from any such events that would exceed its annual operating budget.

BOOK-ENTRY-TRANSFER SYSTEM

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers

in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

REPLACEMENT BONDS

The Town will provide for the issuance of fully registered bond certificates directly to the Beneficial Owners of the Bonds or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

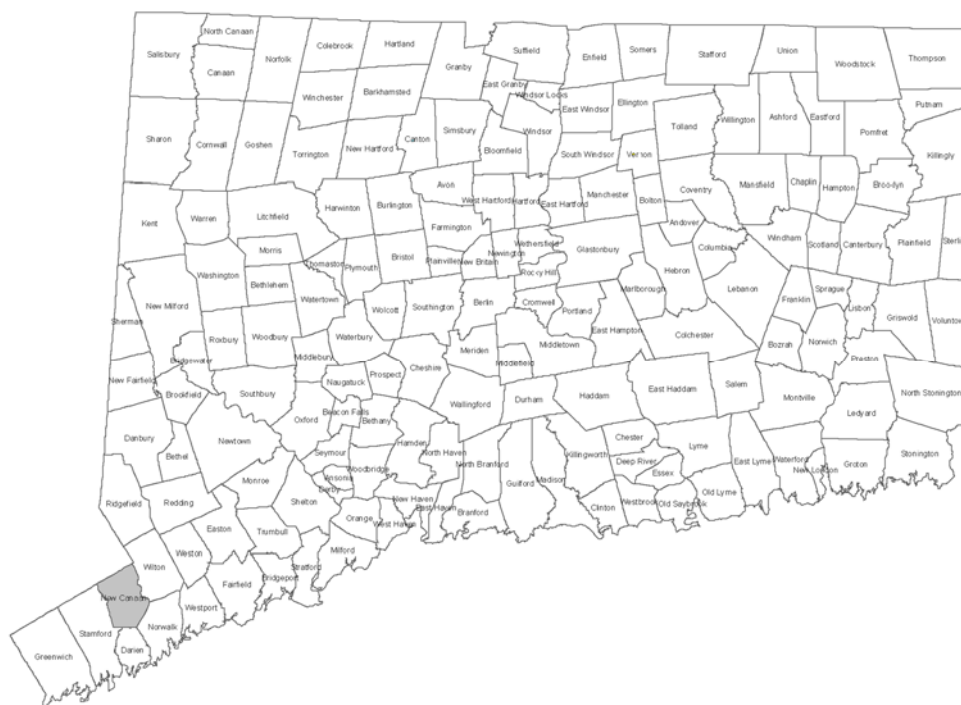
DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Neither the Town, the Paying Agent nor the underwriter of the Bonds will have any responsibility or obligation to the Participants of DTC or the persons for whom they act as nominees with respect to (i) the accuracy of any records maintained by DTC or by any Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, or (iii) any other actions taken by DTC or its partnership nominees as owner of the Bonds.

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II. THE ISSUER



DESCRIPTION OF THE TOWN

Recognized by Connecticut's colonial legislature in 1731, Canaan Parish was a religious parish in northeastern Stamford and northwestern Norwalk for seventy years. The Town was incorporated in May 1801 as Connecticut's 108th town. Located in lower Fairfield County, the Town encompasses approximately 22.6 square miles. It is located between Stamford and Wilton, with New York State to the north and Norwalk and Darien to the south. The Town, situated at the end of a Metro-North Railroad branch line, is also within close proximity to air service from the New York City Metropolitan Tri-State area, the Merritt Parkway and the I-95 corridor, and 45 miles from Manhattan making New Canaan the ideal location for commuters and families. The Town is primarily a suburban residential community with high-quality single-family homes and few commercial properties. The U.S. Census Bureau's 2021 American Community Survey has the Town's population at 20,672.

The Town takes pride in its excellent schools. The nationally recognized New Canaan public school system includes three elementary schools, a middle school, and a high school, providing facilities for 4,043 students in school year 2023-2024. Additionally, the Town provides the LAUNCH transition program for students aged 18 to 21 with special needs. The New Canaan Country School (grades pre-K-9) and Saint Luke's School (grades 7-12) are private schools located in the Town.

Population growth in the Town has been relatively moderate over the past thirty years. However, the Town is one of the highest per capita income areas in the United States. According to the U.S. Census Bureau's 2021 American Community Survey, the Town's median family income was \$250,000 versus the State median of \$106,441.

The Town is a destination for arts, architecture, dining, specialty retail shopping and open space. The public can visit the 1949 Philip Johnson's Glass House and the River Building at Grace Farms designed by the prestigious Japanese architectural firm SANAA. The Town owned Waveny property has 250 acres of woods, meadows, running trails, sports fields, paddle tennis courts, a pool, a dog park, an outdoor ice rink and buildings including the Lapham Community Center, Carriage Barn Arts Center and the Powerhouse Theater. The centerpiece of the property, the Waveny House, is open to the public. Other cultural opportunities in New Canaan include the Summer Theater of New Canaan, the New Canaan Chamber Music, the Silvermine Art Guild and the New Canaan Museum and Historical Society.

For over 100 years, the New Canaan Library has been bringing the community together with art, cultural and educational programs for all ages while providing comprehensive resources for the entire community. The Library recently completed construction of a new 42,000 sq. ft. facility. All of these organizations as well as numerous others contribute to the fabric of New Canaan. Mead Memorial Park, Kiwanis Park, New Canaan Nature Center, Irwin Park, Waveny Park, Bristow Bird

Sanctuary and New Canaan Land Trust provide playgrounds, playing fields, walking and hiking trails, tennis courts and a swimming pond. The Board of Education properties and Recreation Department properties include several turf and natural fields for a multitude of athletic events.

The Town utilizes a Plan of Conservation and Development (the “Plan”) adopted in 2014, to guide development and maintain the rural character of the Town. Pursuant to Connecticut General Statutes, the Town is in the process of updating the Plan to set forth New Canaan’s vision, goals and action steps for the next 10 years (2024-2034). Potential new areas of focus in this update include affordable housing strategies, sustainability and climate resilience. Approximately 88% of the Town is zoned for one, two, and four-acre residential use, 7% is zoned for one-half acre or less residential use and 1% is zoned for retail/business purposes. Approximately 4% includes the following zoning districts: Multi-Family, Apartments, Recreation and Open Space, and the Waveny zone. The Housing Authority of New Canaan (HANC) has been the Town’s exclusive vehicle for public sector development of affordable housing with a total of 213 units at Millport Apartments and Canaan Parish. The Town is focused on balancing necessary development while preserving open space. The New Canaan Land Trust is the leading conservation organization in the Town, and owns nearly 350 acres of land, with an additional 50 acres under easements for residents to enjoy.

According to the New Canaan Board of Realtors, for the 12-month period ending December 31, 2023, the average sale price of a New Canaan single family home listed on the New Canaan Multiple Listing Service was \$2,050,000. The average sale price of a condominium was \$1,125,000.

The Town has one of the highest tax collection rates in the State of Connecticut with a rate of 99.7% in fiscal year 2023. The Town is proud to hold a tax collection rate of 99.4% or better for the past ten years. The recently completed state mandated revaluation project for 2023 saw an increase of approximately 24% over the 2022 grand list. The 2022 grand list in effect for fiscal year ending 2024 totaled \$8,016,779,650, which represented an increase of approximately \$80.6 million (1.0%) over the 2021 grand list that was effective for fiscal year 2023.

FORM OF GOVERNMENT

The Town operates under a Charter adopted in 1935 and most recently amended on November 9, 2016. Municipal elections for Town officials including the three-member Board of Selectmen, twelve-member Town Council, Treasurer, Town Clerk, and nine-member Board of Education are held biennially on election day in odd-numbered years. Terms are staggered. Elections for the Town’s two Registrars of Voters are held biennially in even-numbered years. Minority party representation is required on all boards, commissions, committees, or similar bodies, whether elected or appointed, as provided in the General Statutes and the Town Charter.

The Board of Selectmen is responsible for carrying out its duties as provided in the Charter and any other duties that may be prescribed by the General Statutes and municipal ordinances, and serves as the Purchasing and Hiring Authority for the Town. In addition, the Board of Selectmen appoints the members of boards, commissions, or committees whose members are not elected. Appointees to the Audit Committee need to be confirmed by the Town Council. The First Selectman is the Chief Executive Officer of the Town.

The Town Council carries out the legislative powers provided by the Charter and the General Statutes and must approve all appropriations. The Town Council is required to meet at least once every two months, but it has become the custom to meet monthly. The First Selectman serves as an ex officio member.

The Board of Finance, comprising eight members and three alternates, oversees the Town’s finances, makes budget recommendations and sets the mill rate. It also makes recommendations on the authorization of bonds and acts as the Town’s Sewer Authority. In November of each year, the Board of Selectmen appoint two members to hold office for a term of four years, which appointments need Town Council confirmation. The First Selectman is an ex officio member and has no vote except in the case of a tie vote.

A nine-member elected Board of Education governs the Town's public school system. The Board of Education's primary duties include the establishment of the educational goals to be met by the school district: the consideration and approval of an annual budget for submission to the Board of Selectman, the Board of Finance and the Town Council; the selection of a Superintendent, who serves as the executive officer of the Board; and the employment of principals, teachers and other school employees. The Board of Education receives annual funding from the Town for both operational and capital projects.

MUNICIPAL OFFICIALS

Board of Selectmen	Term Expires November
Dionna L. Carlson.....	2025
Stephen Karl.....	2025
Amy Murphy Carroll	2025
<u>Town Officials</u>	
Claudia A. Weber, Town Clerk.....	2025
Andrew Brooks, Town Treasurer.....	2025
<u>Town Council</u>	
Dionna I. Carlson (First Selectman), ex officio.....	2025
Michael Mauro (Chairman).....	2027
Cristina Aquirre-Ross (Vice Chairman / Secretary)....	2027
Hilary Ormond (Vice Chairman).....	2025
Tom Butterworth.....	2025
Kimberly Norton.....	2025
Luke Kaufman.....	2025
Penny Young.....	2025
Rita Bettino.....	2025
Maria Naughton.....	2027
Janet Fonss.....	2027
Eric Thunem.....	2027
Jennifer Zonis.....	2027
<u>Board of Finance</u>	
Dionna L. Carlson, ex officio.....	2025
Todd Lavieri, Chairman	2025
Christian Le Bris, Secretary.....	2024
Thomas Schulte.....	2025
Robert Hamill	2027
Maria Weingarten	2024
Colm Dobbyn	2026
Michael Chen.....	2023 ¹
Victor Alvarez.....	2026
James Yao (Alternate).....	2023 ¹
Nick Mitrakis (Alternate).....	2025
Jan Schaefer (Alternate).....	2025
Anne Kelly-Lenz, Chief Financial Officer.....	Employee
Tucker Murphy, Administrative Officer.....	Employee
Diane Wilson, Comptroller.....	Employee
Sebastian Caldarella, Assessor.....	Employee
Rosanna DiPanni, Tax Collector.....	Employee
Dr. Bryan Luizzi, Superintendent of Schools.....	Employee

¹ Reappointment pending.

Source: First Selectman's Office.

SUMMARY OF MUNICIPAL SERVICES

Police: The New Canaan Police Department is a full-service law enforcement agency that provides 24-hour, 7 days-a-week service to the Town and responds to over 14,000 incidents annually. The Department is a nationally accredited agency and is

one of only two Commission on Accreditation for Law Enforcement Agencies (CALEA) accredited departments in Fairfield County. The Department includes 47 sworn officers, which include a Chief of Police, a Deputy Chief, a Captain of Staff Services, a patrol division, and an investigative section. Specialized positions which help the Department provide an exceptional level of service to the community include a Special Response Team, a Canine Team, a Community Impact Officer in the center of Town, and three School Resource Officers/Safety Officers.

A complete interior renovation of the New Canaan Police headquarters was approved to modernize the 97-year-old building. Safety of officers, visitors and detainees will be enhanced; space utilization will be improved; and energy and operational systems will be more efficient. The building will be upgraded to meet state and federal regulations as an Essential Building to function during any type of emergency all while retaining the exterior's Colonial Revival architecture and historic character.

Fire: Fire protection is provided by 26 full-time career firefighters and 24 volunteers, including a full-time Fire Chief, both a full-time and a volunteer Assistant Fire Chief, a full-time Fire Marshal, two part-time deputy fire marshals, and a part-time administrative assistant. The Fire Department has one central station and seven fire suppression vehicles. New Canaan's fire suppression services have an ISO PPC rating of 4/4Y. All occupancies that require a fire inspection are completed per state fire code.

Emergency Medical Services: New Canaan Emergency Medical Service ("NCEMS") operates twenty-four hours a day, seven days a week with 40+ volunteers. The service operates three ambulances and a twenty-four-hour-a-day Norwalk Hospital EMS Paramedic contracted by the Town, who responds in a fly car. NCEMS is supported by Town contributions, in addition to private contributions. The service is provided 100% free of charge to Town residents.

Land Use: The Land Use division is comprised of several individual departments namely: Building, Planning and Zoning, Inland Wetlands and Health, which often work in concert with each other on both residential and commercial construction projects. The Building Department consists of a Chief Building Official, who also serves as the Enforcement Officer for the Historic District Commission, Blight Ordinance and Demolition Delay Ordinance, a Deputy Building Official, a full-time Inspector and a full-time Office Administrator. The Building Department is responsible for enforcing the Connecticut State Building Code, performs plan reviews for all proposed construction, issues building permits, performs site inspections periodically throughout construction, and issues Certificates of Occupancy upon code-compliant completion of construction activity. A part-time records manager is responsible for maintaining all land use records per state statutes.

The Planning and Zoning Department has a full-time Town Planner/Senior Enforcement Officer, a full-time Zoning Inspector, and a full-time Office Administrator, who together provide objective information and guidance to residents and applicants on land use matters. The Town also has a Planning and Zoning Commission and a Zoning Board of Appeals (a committee that oversees the implementation of the Plan of Conservation and Development). The Town Zoning Regulations and Zoning Map identify the various zoning districts. The Inland Wetlands Department has a full-time Director and a full-time Office Administrator, who work closely with the Inland Wetlands Commission and Conservation Commission to preserve and protect the wetlands and watercourses from random, unnecessary and unregulated uses, disturbance or destruction.

Health: The Health Department employs a full-time Director, a full-time Registered Sanitarian, a full-time Sanitarian/Health Program Planner, and a full-time Office Administrator. Additionally, there are 3 part-time Public Health Nurses that are grant-funded, a part-time public health preparedness coordinator grant funded, and a part-time Medical Director. The Health Department works with the other Land Use departments to ensure compliance with the Connecticut Public Health Codes and oversees the construction and installation of all new and existing well and septic systems. The Health Department annually inspects and licenses various establishments, is responsible by state statute for the follow-up of all infectious diseases, and manages all childhood lead poisoning cases. The Health Department also provides free rapid COVID-19, Flu A & B, and RSV testing for Town residents.

Human Services: The Human Services Department supports youth, families, adults, and seniors inquiring about critical needs such as food, clothing, shelter, safety, and wellness. The department consists of 4 full-time staff members who provide crisis and short-term case management, financial assistance eligibility assessments, state/federal program application assistance, and referrals including housing, behavioral health, recreation, and homecare needs. Programs include New Canaan Food Pantry, Energy Assistance, Back-To-School Program, Holiday Gift-Giving, Renters Rebate, Farmers Market Vouchers, CHOICES counseling, Veterans' Services, Tele-Health for seniors, and Seasonal Flu Vaccine clinics.

Recreation: The Recreation Department administers and coordinates a comprehensive recreation program designed for year-round activities for all ages with 8 full-time staff and up to 300 part-time program providers. Programs consist of tennis, basketball, softball, baseball, flag football, paddle tennis, soccer, before and after school programs, sports clinics, and summer day camps. The Department also operates a seasonal swimming pool at Waveny Park and a swimming pond at Kiwanis Park. The Department operates Waveny House which is used by numerous community organizations for weekday meetings and

administers the weekend rental events. The Lapham Community Center located in Waveny Park provides adult and senior activities.

Public Works: The Department of Public Works provides routine and scheduled maintenance functions to the town's infrastructure such as Town roads, bridges, culverts and sidewalks. Supported by a staff of 56, the Director supervises and oversees the following departments: Administration, Highway, Transfer Station, Wastewater Treatment, Engineering, Buildings Maintenance, Tree Service and Parks Maintenance. The Department also organizes, supervises and oversees capital improvement or replacement projects.

The Town operates a transfer station to collect garbage, recyclable materials, household and yard waste from residents and garbage haulers. For fiscal year 2023, the Town collected 6,092 tons of garbage and 1,359 tons of recycled materials. These collected materials are then transported to a “waste to energy” plant operated by Wheelabrator Bridgeport to be incinerated. For the fiscal year ending June 30, 2023 a total of 6,092 tons of trash were directed to Wheelabrator Bridgeport. For fiscal year ending June 30, 2023 the Town paid tipping fees of \$94.50 per ton for solid waste and \$65.00 per ton for recycling. For the fiscal year ending June 30, 2024 the Town will pay a tipping fee of \$111.00 per ton for solid waste and \$65.00 for recycling.

Sewer: The Town operates and maintains a Waste Water Treatment Plant, along with three pumping stations and 25 miles of sanitary sewers, that treat waste material so that the by-products meet the highest federal and state standards. The collection system covers approximately 22% of the land area of the Town and serves approximately 40% of the households and businesses. A Sewer User Fee is established each year by the Board of Finance which serves as the Town’s Sewer Authority.

Housing Authority: The Housing Authority of the Town of New Canaan operates multiple affordable housing developments: Mill Apartments, Millport Apartments, and Canaan Parish, for a total of 213 units. The Mill Apartments is a 40-unit development that was constructed in 2010 to replace 33 units built in the 1950s. Millport Apartments is the 73-unit development constructed in 2018. Finally, Canaan Parish is a 100-unit development constructed in 2022 to replace 60 units built in the 1960s. The Housing Authority is dedicated to continuing to provide the Town’s low-income residents with modern housing units in perpetuity.

Electric and Natural Gas: Eversource Energy provides electric power and natural gas services for the Town. Eversource Energy has completed a major installation of natural gas lines in the central residential and commercial areas of Town including four of the five public schools.

EDUCATIONAL SYSTEM

The Town's school system consists of five schools located strategically in Town, which accommodated 4,100 students in 2022-2023. There are three schools for students from kindergarten through grade four, one middle school for grades five through eight, and one high school for grades nine through twelve. The District also provides programs for students with special needs. A nine-member, elected Board of Education governs the New Canaan Public Schools. The District’s graduation rate is 99%.

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EDUCATIONAL FACILITIES

<u>School</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Additions/ Renovations</u>	<u>Enrollment 10/1/2023</u>	<u>Capacity</u>
<u>Elementary</u>					
East School.....	K-4	1964	1996	570	600
South School.....	K-4	1950	1954/1996	507	600
West School.....	K-4	1960	1996	447	600
<u>Middle School</u>					
Saxe Middle School.....	5-8	1957	1961/1997/1999/2017	1,261	1,407
<u>High School</u>					
New Canaan High School...	9-12	1971	1995/2007	1,258	1,500
				<u>4,043</u>	<u>4,707</u>

Source: New Canaan Public Schools.

SCHOOL ENROLLMENTS

Actual				
As of October 1	K-4	5-8	9-12	Total
2014	1,625	1,292	1,251	4,168
2015	1,594	1,329	1,251	4,174
2016	1,581	1,361	1,268	4,210
2017	1,574	1,335	1,328	4,237
2018	1,494	1,339	1,301	4,134
2019	1,515	1,327	1,330	4,172
2020	1,485	1,342	1,349	4,176
2021	1,454	1,326	1,289	4,069
2022	1,491	1,315	1,294	4,100
2023	1,524	1,261	1,258	4,043
Projections				
As of October 1	K-4	5-8	9-12	Total
2024	1,523	1,286	1,240	4,049
2025	1,515	1,261	1,236	4,012
2026	1,643	1,270	1,195	4,108
2027	1,695	1,318	1,170	4,183

Source: New Canaan Public Schools.

MUNICIPAL EMPLOYMENT

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board of Education.....	783	779	757	749	749
General Government.....	188	179	180	180	180
Total	<u>971</u>	<u>958</u>	<u>937</u>	<u>929</u>	<u>929</u>

Source: Town Human Resource Office; New Canaan Public Schools.

MUNICIPAL EMPLOYEES BY CATEGORY

<u>Department</u>	<u>Employees</u>
<u>General Government</u>	
Selectmen.....	3
Assessor's Office.....	3
Town Clerk.....	4
Tax Office.....	3
Human Resources.....	3
Building Department.....	4
Town Buildings.....	4
Land Use.....	4
Fire Department.....	25
Fire Marshal.....	1
Emergency Ops.....	1
Human Services.....	4
Police Department.....	52
Parking.....	3
Public Works.....	53
Health Department.....	4
Recreation Department.....	4
Lapham Center.....	2
Finance.....	7
Information Technology.....	3
Animal Control.....	1
Subtotal.....	<u>188</u>
<u>Board of Education</u>	
Administration.....	26
Teachers and Special Services.....	431
Other.....	326
Subtotal.....	<u>783</u>
Total Town Employees.....	<u><u>971</u></u>

Source: Town Human Resource Office; New Canaan Public Schools.

MUNICIPAL EMPLOYEE COLLECTIVE BARGAINING REPRESENTATION

<u>Employees</u>	<u>Union Representation</u>	<u>Employees Represented</u>	<u>Contract Expiration Date</u>
<u>GENERAL GOVERNMENT</u>			
Police.....	AFSCME, Council # 4, Local 1575 Police Officers.....	45	6/30/2025
Fire Fighters.....	AFSCME, Council # 15, Local 1081 International Association of Fire Fighters.....	24	6/30/2025
Public Works.....	AFSCME, Council #4, Local 1303 Public Works.....	44	6/30/2024
Town Hall Employees..	AFSCME, Council #4, Local 1303-465 Town Employees..	31	6/30/2026
	Non-Bargaining Town Employees.....	<u>44</u>	
	Sub-total Town Employees.....	<u>188</u>	
<u>BOARD OF EDUCATION</u>			
Secretaries.....	UPSEU New Canaan BOE Secretaries Local #424, Unit 44.....	31	6/30/2024
Teachers.....	New Canaan Education Association.....	439	6/30/2025
Custodians.....	AFSCME, Council #4, Local 1303 Custodial Workers.....	44	6/30/2022 ¹
Cafeteria Workers.....	UPSEU, Local 424, Unit 20 Cafeteria Workers.....	29	6/30/2024
Administrators.....	New Canaan Administrators Association.....	14	6/30/2026
Teachers Assistants....	UPSEU Local 424, Unit 47.....	126	6/30/2025
	Non-Bargaining Board of Education Employees.....	<u>100</u>	
	Sub-total Board of Education Employees.....	<u>783</u>	
	Total Town and Board of Education Employees.....	<u>971</u>	

¹ In negotiations.

Source: Town Human Resource Office; New Canaan Public Schools.

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of contracts, in assessing the financial capabilities of a municipal entity, there is an irrefutable presumption that a budget reserve of: (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

III. ECONOMIC AND DEMOGRAPHIC DATA

POPULATION TRENDS

<u>Year</u>	<u>Town of New Canaan</u>	<u>Fairfield County</u>	<u>State of Connecticut</u>
1980	17,931	807,143	3,107,576
1990	17,864	857,270	3,287,116
2000	19,395	882,567	3,405,565
2010	19,738	916,829	3,574,097
2021	20,574	956,446	3,605,330

Source: U.S. Census Bureau.

AGE CHARACTERISTICS OF POPULATION

<u>Age</u>	<u>Town of New Canaan</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	1,094	5.3	51,434	5.4	182,122	5.1
5 - 9.....	1,580	7.7	57,243	6.0	196,540	5.5
10 - 14.....	1,910	9.3	65,500	6.8	224,371	6.2
15 - 19.....	2,030	9.9	67,324	7.0	245,790	6.8
20 - 24.....	1,031	5.0	59,983	6.3	241,370	6.7
25 - 34.....	985	4.8	108,981	11.4	445,861	12.4
35 - 44.....	2,319	11.3	120,976	12.6	439,098	12.2
45 - 54.....	3,299	16.0	137,537	14.4	488,283	13.5
55 - 59.....	1,811	8.8	72,231	7.6	269,688	7.5
60 - 64.....	1,459	7.1	63,852	6.7	252,028	7.0
65 - 74.....	1,677	8.2	85,656	9.0	357,409	9.9
75 - 84.....	866	4.2	43,079	4.5	173,149	4.8
85 and over.....	513	2.5	22,650	2.4	89,621	2.5
Total.....	<u>20,574</u>	<u>100.0</u>	<u>956,446</u>	<u>100.0</u>	<u>3,605,330</u>	<u>100.0</u>

Median Age (years) .. 42.5 40.7 41.0

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

EDUCATIONAL ATTAINMENT

<u>Educational Attainment Group</u>	<u>Town of New Canaan</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	79	0.6	34,610	5.3	101,461	4.0
9th to 12th grade.....	124	1.0	29,615	4.5	123,560	4.9
High School graduate.....	776	6.0	136,454	20.8	656,949	26.1
Some college, no degree.....	1,151	8.9	91,887	14.0	418,214	16.6
Associates degree.....	437	3.4	40,067	6.1	194,987	7.8
Bachelor's degree.....	5,448	42.1	177,060	27.0	561,567	22.3
Graduate or professional degree.....	4,914	38.0	145,269	22.2	458,399	18.2
Total.....	<u>12,929</u>	<u>100.0</u>	<u>654,962</u>	<u>100.0</u>	<u>2,515,137</u>	<u>100.0</u>

Percent of High School Graduates... 98.4% 90.2% 91.1%
 Percent of College Graduates..... 80.1% 49.2% 40.6%

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

SELECTED WEALTH AND INCOME INDICATORS

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2021)</u>	<u>(2000)</u>	<u>(2021)</u>
Town of New Canaan.....	\$175,331	\$250,000	\$82,049	\$119,935
Fairfield County.....	77,690	125,563	38,350	61,651
Connecticut.....	65,521	106,441	28,766	47,869
United States.....	49,600	85,028	21,690	37,638

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

INCOME DISTRIBUTION

	<u>Town of New Canaan</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000.....	35	0.7	5,655	2.3	23,811	2.6
\$10,000 to \$14,999.....	57	1.1	3,568	1.5	14,243	1.6
\$15,000 to \$24,999.....	25	0.5	8,960	3.7	36,091	4.0
\$25,000 to \$34,999.....	84	1.6	10,916	4.5	44,586	4.9
\$35,000 to \$49,999.....	135	2.5	17,215	7.1	71,397	7.8
\$50,000 to \$74,999.....	354	6.6	28,529	11.8	123,873	13.6
\$75,000 to \$99,999.....	187	3.5	22,702	9.4	113,529	12.5
\$100,000 to \$149,999.....	580	10.8	41,184	17.0	188,052	20.7
\$150,000 to \$199,999.....	591	11.0	29,956	12.4	117,255	12.9
\$200,000 or more.....	3,335	62.0	73,000	30.2	177,169	19.5
	<u>5,383</u>	<u>100.0</u>	<u>241,685</u>	<u>100.0</u>	<u>910,006</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

PER CAPITA PERSONAL INCOME - BY METROPOLITAN AREA, 2020-2022

<u>Metropolitan Statistical Area</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Rank in 2022</u>
Midland, TX.....	\$ 106,217	\$ 123,682	\$ 143,728	1
San Jose-Sunnyvale-Santa Clara, CA.....	122,544	141,739	141,516	2
Naples-Marco Island, FL.....	110,993	126,031	131,160	3
Bridgeport-Stamford-Norwalk, CT.....	115,859	119,982	125,185	4
San Francisco-Oakland-Berkeley, CA.....	107,815	124,398	123,736	5
Sebastian-Vero Beach, FL.....	87,110	99,515	105,250	6
Boulder, CO.....	81,673	93,472	98,553	7
Boston-Cambridge-Newton, MA-NH.....	84,684	92,402	94,082	8
Seattle-Tacoma-Bellevue, WA.....	81,785	90,194	92,113	9
Napa, CA.....	81,905	87,422	86,863	10
State of Connecticut.....	77,383	80,691	82,938	
United States.....	59,153	64,430	65,470	

Source: "Survey of Current Business," U.S. Bureau of Economic Analysis, November 2023.

EMPLOYMENT BY INDUSTRY

Employment Sector	Town of New Canaan		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining...	10	0.1	1,150	0.2	7,314	0.4
Construction.....	169	1.9	33,321	6.9	113,665	6.2
Manufacturing.....	529	6.1	38,723	8.0	192,688	10.6
Wholesale Trade.....	134	1.5	11,495	2.4	41,165	2.3
Retail Trade.....	727	8.4	49,967	10.3	194,081	10.6
Transportation, Warehousing & Utilities.....	139	1.6	18,276	3.8	80,481	4.4
Information.....	378	4.4	12,646	2.6	36,259	2.0
Finance, Insurance & Real Estate.....	2,628	30.3	58,062	12.0	164,657	9.0
Professional, Scientific & Management.....	1,623	18.7	75,723	15.6	212,866	11.7
Educational Services & Health Care.....	1,415	16.3	111,400	23.0	482,274	26.5
Arts, Entertainment, Recreation & Food Services...	501	5.8	37,782	7.8	148,835	8.2
Other Service (including nonprofit).....	315	3.6	23,814	4.9	82,217	4.5
Public Administration.....	106	1.2	12,482	2.6	66,493	3.6
Total.....	8,674	100.0	484,841	100.0	1,822,995	100.0

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

UNEMPLOYMENT RATE STATISTICS

Period	Town of New Canaan		Percentage Unemployed		
	Employed¹	Unemployed¹	Town of New Canaan (%)¹	Bridgeport Labor Market (%)¹	State of Connecticut (%)¹
2023.....	8,082	307	3.7	3.9	3.7
Annual Average					
2022.....	8,188	310	3.6	4.2	4.2
2021.....	7,999	283	3.4	4.4	4.3
2020.....	7,631	449	5.6	8.0	7.8
2019.....	8,312	251	2.9	3.5	3.5
2018.....	8,215	256	3.0	3.9	3.9
2017.....	8,174	310	3.7	4.4	4.4
2016.....	8,081	312	3.7	4.8	4.8
2015.....	8,008	349	4.2	5.5	5.6
2014.....	7,880	412	5.0	6.4	6.6
2013.....	7,661	496	6.1	7.7	8.0

¹ Non-seasonally adjusted.

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

MAJOR EMPLOYERS

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Number of Employees</u>
Town of New Canaan.....	Municipality.....	971
Waveny Care Center/New Canaan Inn	Short-Term-Intermediate Medical Care Facilities...	500
Silver Hill Hospital.....	Rehabilitation Hospital.....	334
YMCA.....	Health, Education.....	250
New Canaan Country School.....	Education.....	164
St. Luke's School.....	Education.....	142
Walter Stewart Market.....	Grocery Store.....	133
Bankwell Bank.....	Banking.....	103
ACME Markets.....	Retail.....	85
Moran Towing.....	Marine Towing / Transportation services.....	75
Total.....		2,757

Source: First Selectman's Office.

NUMBER AND VALUE OF BUILDING PERMITS

<u>Fiscal Ending</u>	<u>Residential¹</u>		<u>Industrial/Commercial</u>		<u>Other Construction²</u>		<u>Total</u>	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
2023	483	\$116,402,345	52	\$20,524,260	1,542	\$8,829,886	2,077	\$145,756,491
2022	489	77,050,166	49	52,941,851	1,421	6,299,195	1,959	136,291,212
2021	560	253,396,662	42	5,008,760	1,557	876,329	2,159	259,281,751
2020	739	44,980,657	85	6,023,299	194	935,889	1,018	51,939,845
2019	466	75,099,374	58	42,889,761 ³	1,546	35,764,159	2,070	153,753,294
2018	538	55,633,423	30	12,471,100	1,196	12,449,390	1,764	80,553,913
2017	521	52,542,565	44	22,791,150	1,141	9,950,756	1,706	85,284,471
2016	645	71,177,970	42	13,132,500	1,251	2,788,273	1,938	87,098,743
2015	570	68,099,062	50	7,550,070	1,610	11,684,179	2,230	87,333,311
2014 ⁴	243	63,157,853	46	39,961,500	1,318	12,128,260	1,607	115,247,613

¹ Includes new construction and structural improvements.

² Includes over the counter permits for non-structural improvements.

³ Includes partial permits for an estimated \$80M Merritt Village multi-family residential project.

⁴ Numbers include a large construction project at the Grace Church property.

Source: Town Building Department.

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HOUSING INVENTORY

<u>Type</u>	<u>Units</u>	<u>Percent</u>
1-unit detached.....	5,381	72.4
1-unit attached.....	783	10.5
2 to 4 units.....	677	9.1
5 to 9 units.....	250	3.4
10 or more units.....	327	4.4
Mobile home, trailer, other..	16	0
Total Inventory.....	<u>7,434</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

NUMBER OF DWELLING UNITS

<u>2021</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>% Increase 2000-2021</u>	<u>% Increase 1980-2021</u>
7,434	7,141	6,852	6,076	4.1%	22.4%

Source: U. S. Census Bureau.

OWNER-OCCUPIED HOUSING VALUES

<u>Value of Owner Occupied Units</u>	<u>Town of New Canaan</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000.....	44	0.8	4,076	1.8	19,747	2.1
\$50,000 to \$99,999.....	-	-	3,940	1.7	25,603	2.8
\$100,000 to \$149,999.....	19	0.3	6,478	2.8	68,932	7.4
\$150,000 to \$199,999.....	33	0.6	12,562	5.4	130,158	14.1
\$200,000 to \$299,999.....	102	1.8	33,563	14.4	250,981	27.1
\$300,000 to \$499,999.....	271	4.8	73,072	31.4	268,183	29.0
\$500,000 to \$999,999.....	1,466	26.1	64,162	27.6	117,839	12.7
\$1,000,000 and over.....	3,684	65.6	34,979	15.0	44,060	4.8
Total.....	<u>5,619</u>	<u>100.0</u>	<u>232,832</u>	<u>100.0</u>	<u>925,503</u>	<u>100.0</u>
Median Value	\$1,264,400		\$443,100		\$286,700	

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

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AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of New Canaan		Fairfield County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Built 2020 or later.....	-	0.0	122	0.0	768	0.1
Built 2010 to 2019.....	387	5.2	20,128	5.3	53,427	3.5
Built 2000 to 2009.....	932	12.5	25,559	6.8	104,519	6.8
Built 1990 to 1999.....	548	7.4	26,269	7.0	118,124	7.7
Built 1980 to 1989.....	562	7.6	42,134	11.2	191,539	12.5
Built 1970 to 1979.....	704	9.5	49,113	13.0	206,448	13.5
Built 1960 to 1969.....	1,398	18.8	54,543	14.5	203,726	13.3
Built 1950 to 1959.....	1,107	14.9	57,779	15.3	224,412	14.7
Built 1940 to 1949.....	430	5.8	27,136	7.2	100,445	6.6
Built 1939 or earlier....	1,366	18.4	74,466	19.7	323,631	21.2
Total housing units.....	7,434	100.0	377,249	100.0	1,527,039	100.0

Source: U.S. Census Bureau, American Community Survey, 2017- 21.

BREAKDOWN OF LAND USE

Land Use Category	Total Acres	% Acres
Developed:		
Residential.....	10,632.0	79.7
Commercial.....	380.2	2.8
Religious/Education.....	611.3	4.6
State.....	68.9	0.5
Cemetery.....	6.4	0.1
Utilities.....	266.9	2.0
Municipal.....	730.6	5.5
Total Developed:.....	12,696.3	95.2
Undeveloped – Open Space...	177.9	1.3
Underdeveloped – Vacant ¹	470.9	3.5
Total Area.....	13,345.1	100.0

¹ Does not include vacant, approved building lots.

Source: Assessor's Office.

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IV. TAX BASE DATA

ASSESSMENT PRACTICES

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town on October 1, in accordance with Section 12-62a of the Connecticut General Statutes. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials. Section 12-7b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next July 1, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the pro-ration is based on the number of months of ownership between October 1 and the following July 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal of market value.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

The Town of New Canaan last had a general property revaluation in 2018 which was effective for fiscal year 2018-19. The Town's next scheduled revaluation will be October 1, 2023 which will be effective for fiscal year 2024-25. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than 10 years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review.

MOTOR VEHICLE PROPERTY TAX RATE

Section 12-71e(a) of the Connecticut General Statutes (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 4-66I of the General Statutes diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2022 (the fiscal year ending June 30, 2024) is 18.94 mills.

TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent and interest will accrue at the rate of 1.5% per month (18% per annum). Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with State of Connecticut statutes.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year Ending 30-Jun	Net Taxable Grand List (\$ in thousands)	Tax Rate (In Mills)	Total Adjusted Tax Levy	% Collected End of Each FY	Uncollected End of Each FY	Uncollected As of 6/30/2023
2024 ¹	\$8,016,779.65	18.94	\$151,840,839	In process	In process	In process
2023	7,936,146.52	18.37	146,376,717	99.7 %	\$ 490,950	\$ 490,950
2022	7,799,999.81	18.16	142,371,686	99.6	565,108	286,121
2021	7,733,939.64	18.16	140,846,546	99.7	750,222	237,188
2020 ²	7,706,360.08	18.24	141,037,183	99.4	804,044	200,567
2019	8,344,320.45	16.96	141,942,913	99.5	743,032	51,367
2018	8,295,552.06	16.67	138,764,406	99.7	469,017	36,073
2017	8,217,520.54	16.31	134,542,165	99.6	512,446	27,727
2016	8,126,991.70	15.99	130,453,388	99.7	438,044	14,724
2015 ²	8,052,488.25	15.54	125,351,665	99.7	318,023	-

¹ Adopted budget.

² Year of revaluation.

Source: Assessor's Office; Tax Collector's Office.

TAXABLE GRAND LIST

Grand List Dated	Fiscal Year	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/1/22	2024	\$7,538,159,170	\$118,395,465	\$363,284,805	\$8,019,839,440	\$3,059,790	\$8,016,779,650
10/1/21	2023	7,491,767,860	104,930,650	342,828,420	7,939,526,930	3,380,410	7,936,146,520
10/1/20	2022	7,430,917,210	94,817,640	277,809,305	7,803,544,155	3,544,350	7,799,999,805
10/1/19	2021	7,378,692,137	90,732,455	268,111,791	7,737,536,383	3,596,740	7,733,939,643
10/1/18 ¹	2020	7,362,952,987	82,556,990	264,428,964	7,709,938,941	3,578,860	7,706,360,081
10/1/17	2019	7,999,217,956	77,539,670	270,744,420	8,347,502,046	3,181,600	8,344,320,446
10/1/16	2018	7,953,003,522	74,379,110	271,603,690	8,298,986,322	3,434,260	8,295,552,062
10/1/15	2017	7,881,823,880	74,022,290	265,035,780	8,220,881,950	3,361,410	8,217,520,540
10/1/14	2016	7,796,166,213	72,780,380	261,552,370	8,130,498,963	3,507,262	8,126,991,701
10/1/13 ¹	2015	7,730,048,070	70,008,240	255,458,083	8,055,514,393	3,062,140	8,052,452,253

¹ Year of revaluation.

Source: Assessor's Office.

LARGEST TAXPAYERS

		Grand List of October 1, 2022		
Business-Name	Nature of Business	Total Estimated Assessment	Rank	Percent of Total
Eversource Energy.....	Personal Property (Utility).....	\$ 55,990,205	1	0.70%
New England 15-21 LLC.....	Real Estate.....	26,446,560	2	0.33%
Town Close Assoc. LTD Partners.....	Real Estate.....	26,020,890	3	0.32%
M2 Partners LLC	Real Estate.....	22,813,210	4	0.28%
Country Club of New Canaan.....	Real Estate.....	20,582,170	5	0.26%
Canaan Parish Redevelopment LTD...	Real Estate.....	19,782,438	6	0.25%
New Canaan Lumber Company.....	Real Estate/Lumber.....	17,491,880	7	0.22%
Krakoff Reed.....	Real Estate.....	11,892,020	8	0.15%
Tropin, Kenneth G. Trustee.....	Real Estate.....	10,500,000	9	0.13%
Kensho Trust.....	Real Estate.....	10,150,000	10	0.13%
	Total	\$ 221,669,373		2.77%

Source: Assessor's Office; Tax Collector's Office.

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2021	\$ 14,058,222,435	13.38%
2020	12,399,515,908	18.88%
2019	10,430,282,373	-5.26%
2018	11,009,175,830	-3.97%
2017	11,464,169,241	-3.88%
2016	11,927,334,536	-1.45%
2015	12,102,749,021	-2.22%
2014	12,377,454,660	7.78%
2013	11,483,498,209	0.84%
2012	11,387,799,066	0.26%

Source: State of Connecticut, Office of Policy and Management.

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V. FINANCIAL DATA

ACCOUNTING POLICIES

The Town's accounting policies are summarized in Note 1 "Summary of Significant Account Policies" in the Notes to Financial Statements (Appendix A).

BASIS OF ACCOUNTING

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements (Appendix A).

ANNUAL AUDIT

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the Town of New Canaan Charter, the Town is obligated to undergo an annual examination by an independent certified public accountant. The current auditors, PKF O'Connor Davies, LLP, were appointed by the Town Council and are required to conduct their examination under the guidelines issued by the State of Connecticut Office of Policy & Management, who receive a copy of said Audit Report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2023, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by PKF O'Connor Davies, LLP, Independent Certified Public Accountants. The information contained in "Appendix A" is not the whole annual report. Individuals wishing a complete document should contact the Chief Financial Officer of the Town of New Canaan, Connecticut.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its annual report for each of its fiscal years ending June 30, 2016 through June 30, 2022. To be eligible for the award, annual reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program.

BUDGETARY PROCEDURES

The Board of Finance, after receipt of the recommended budget from the Board of Selectmen and after obtaining any further information which it may require, shall prepare tentative budget recommendations. The Board of Finance shall cause such recommendations to be published at least once, together with a notice fixing the time of a public hearing, which shall be held not later than the sixth Tuesday following the first Tuesday of February; and the place where such hearing shall be held by the Board of Finance upon requests for appropriations, to hear all persons, including members of the Board of Finance, who may wish to be heard in respect to any such recommendations or who may wish the Board of Finance to recommend any other appropriation or any other matter within the power of the Board of Finance. After such public bearing, the Board of Finance forthwith shall hold a meeting or meetings to consider the estimates and requests so presented. The Board of Finance shall thereupon prepare and present its recommendations to the Board of Selectmen, for submission to the Town Council, for appropriations to cover Town expenditures for the ensuing fiscal year. Such recommendations may also include appropriations to pay any part of the Town debt or to provide a contingent fund for expenses of the Town not otherwise provided for, which contingent fund, when appropriated by the Town Council, shall be subject to disbursement by the Board of Finance. All such recommendations for appropriations shall be classified under proper headings and shall be accompanied by an estimate, made by the Board of Finance, of the amount of revenue the Town will receive during such fiscal year from all sources, except that of taxation, and an itemized list of the debts and obligations of the Town as of the day of the meeting or meetings following the public hearing of the Board of Finance and a detailed statement showing the amount of increase or decrease of the proposed appropriation as compared to the last previous appropriation made by the Town Council for like purpose. Such recommendations shall include the amount of any unexpended balances or surplus to be applied against appropriations and a reserve for uncollectible taxes; provided, however, that if the Town Council shall reduce the proposed appropriations so recommended and published by an amount exceeding five percent (5%), then in that event, the amount of unexpended balances or surplus to be applied shall be reconsidered by the Board of Finance for final action.

The recommendations for appropriations so prepared by the Board of Finance shall be delivered to the Selectmen not later than the seventh Tuesday following the first Tuesday of February in each year in the form of a written report signed by the Chairman of the Board of Finance and a majority of its members. The Selectmen shall forthwith cause to be published once a week for two (2) successive weeks a notice of a meeting of the Town Council to act upon such recommendations, stating the time and place thereof. The first of such notices shall include the publication in full of the recommendations of the Board of Finance. Such meeting of the Town Council shall be held not later than eleven (11) weeks after the first Tuesday of February in each year.

EMPLOYEE PENSION SYSTEMS

The Town is the administrator of a single employer, contributory defined benefit retirement plan (the "DB Plan") which covers most Town employees except certified faculty and administrative personnel of the Board of Education who participate in a contributory retirement plan administered by the State Teachers Retirement Board. The DB Plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

The authority under which the DB Plan is established was the action of a special Town meeting held on March 13, 1962. The Town shall have the right by action of the Town Council to amend the DB Plan within the guidelines stipulated in the pension plan document. Employee eligibility, normal retirement dates, benefits, funding status, contributions, trend information and vesting are detailed in Appendix A, "Notes to General Purpose Financial Statements".

In January 2011, the Town established a new 401(a) defined contribution retirement plan (the "DC Plan") in lieu of the DB Plan for Town non-bargained employees, Town Hall union employees and Board of Education non-bargained employees including teaching assistants hired on or after January 1, 2011 and Department of Public Works employees hired on or after July 1, 2010. Those employees who are ineligible to participate in the DB Plan because of their hire date, can voluntarily contribute to the DC Plan as allowable under IRS regulations. Currently, the Board of Education matches its employees' contributions up to 5% of base pay. The Town matches contributions up to 7% of base pay for Town Hall Union employees, Town non-bargained employees and Department of Public Works employees. Department of Public Works employees are required to contribute 3% of base pay.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67. Net position is based on fair market value as of June 30th and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to June 30th. In accordance with GASB Statement No. 67, the components of the net pension liability of the Town were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability.....	\$149,992,729	\$149,418,364	\$144,196,065	\$138,469,322	\$133,173,096
Plan fiduciary net position.....	158,991,097	150,350,230	180,103,523	146,816,943	142,928,420
Net pension liability (asset)....	<u>\$ (8,998,368)</u>	<u>\$ (931,866)</u>	<u>\$(35,907,458)</u>	<u>\$ (8,347,621)</u>	<u>\$ (9,755,324)</u>
Plan fiduciary net position as a % of total pension liability...	106.0%	100.6%	124.9%	106.0%	107.3%

Source: Audited financial statements.

The following represents the net pension liability of the Town, calculated using the discount rate of 6.625%, 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:

	<u>1% Decrease</u> <u>5.625%</u>	<u>Current</u> <u>Discount Rate</u> <u>6.625%</u>	<u>1% Increase</u> <u>7.625%</u>
Town Employees Plan Net Pension Liability....	\$ 8,465,100	\$ (8,998,368)	\$ (23,712,129)

Source: Audited financial statements.

The following represents historic trend information of the Town's Plans:

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age Cost Method</u>	<u>Overfunded (Unfunded) AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>AAL/(UAAL) as a Percentage of Covered Payroll</u>
07/01/23 ¹	\$165,709,204	\$149,992,728	\$15,716,476	110.5%	\$21,166,115	74.3%
07/01/22	163,176,348	145,989,451	17,186,897	111.8%	20,247,040	84.9%
07/01/20	146,417,569	139,085,669	7,331,900	105.3%	20,814,003	35.2%
07/01/18	137,978,924	128,107,568	9,871,356	107.7%	20,493,850	48.2%
07/01/16	132,176,376	119,855,351	12,321,025	110.3%	21,289,231	57.9%

¹ Interim valuation undertaken for the purposes of calculating the Actuarial Determined Employer Contribution ("ADEC").

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2024 ¹	\$ 207,649	\$ 207,649	100.0%
2023	1,090,794	1,090,794	100.0%
2022	1,647,180	1,647,180	100.0%
2021	1,543,662	1,543,662	100.0%
2020	1,446,047	1,446,047	100.0%

¹ Adopted budget.

Source: Town Financial Statements; fiscal year 2023-24 budget.

The Town's actuary estimates that the Town's Actuarially Determined Employer Contribution ("ADEC") for the fiscal year ending 2024 is \$207,649 and the ADEC for the fiscal year ending 2025 will be \$505,980.

Teachers, who are covered by the State of Connecticut Teachers' Retirement System, are ineligible to participate in the Town's pension plans. Town teachers participate in a contributory retirement plan administered by the State Teachers Retirement Board. Currently, neither the Board of Education nor the Town has a legal obligation to contribute to the retirement fund. The State makes contributions to the system based on an actuarial study performed utilizing the total payroll of covered teachers in the State. For further details regarding the two plans, see Appendix A, "Notes to General Purpose Financial Statements".

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

As the administrator of a single-employer defined benefit plan, the Town provides post-employment benefits, such as health and life insurance and lump sum benefits, in accordance with union contracts for members and non-union employees who retire. If comparable insurance is available to these retirees at no cost to them, then these benefits will not be available until this comparable insurance is terminated.

Non-Union Town employees who retired after July 1, 2001 receive an annual stipend of up to \$2,400 to offset the cost of the retiree's or spouse's medical insurance. Non-union Town employees who retired under the provisions of the Town's Pension Plan from June 30, 2007 through June 30, 2011 have 100% of the medical premium cost paid for by the Town until death. Non-union Town employees who retired under the provisions of the Town's Pension Plan on or after July 1, 2011 pay a percentage share of the medical premium cost at the same rate as active employees (based on the dual rate) which remains at the premium percentage effective upon retirement. For Non-union Town employees who retire on or after June 30, 2020, the premium percentage is the same as actives (percentage changes same as actives) and the annual stipend is payable up to \$2,250. Non-union Town employees hired on or after January 1, 2011 shall pay 50% of the premium cost for retiree single coverage.

Police union members who retired between July 1, 2000 and June 30, 2003 have 100% of the life and medical premium cost paid for by the Town until the retiree reaches age 65. For members who retired between July 1, 2003 and June 30, 2006, there is an additional annual stipend for spousal medical benefits of up to \$2,500 until spouse is 65. Police union members who retired between July 1, 2006 and June 30, 2011 have 100% of the medical premium cost paid for by the Town until death. Police union members who retired on or after July 1, 2012, pay a percentage share of the medical premium cost at the same rate as active employees (base upon the dual rate) which remains at the premium percentage effective upon retirement. Retirees may elect to waive retiree medical coverage. The Town will compensate each retiree \$4,000 annually. A retiree may not subsequently receive coverage under the Town's plans once the retiree makes this election. Effective March 1, 2015, police union members who retire pay a percentage share of the medical premium cost at the same rate as actives (percentage changes same as actives) and the annual stipend available to offset the cost of spousal medical insurance is payable up to \$2,000.

Fire union members who retired between July 1, 2000 and June 30, 2003 have 100% of the medical premium cost paid for by the Town until the retiree reaches age 65. Fire union members who retired between July 1, 2003 and December 31, 2011 have 100% of the medical premium cost paid for by the Town until death. For Fire union members who retired between July 1, 2003 and December 31, 2011, there is an annual stipend for spousal medical benefits of up to \$2,500 until spouse is 65. Fire union members who retired between January 1, 2012 and June 30, 2014 pay a percentage share of the medical premium cost at the same rate as active employees (based on the dual rate) which remains at the premium percentage effective upon retirement. Effective July 1, 2014, the annual spousal medical stipend (to age 65) is payable up to \$2,250. Effective July 1, 2022 a union member will pay a percentage share of the medical premium cost at the same rate as active employees (based on the single, single plus one and family rate).

Department of Public Works union retirees who retired on or before June 30, 2001 receive an annual stipend of \$1,000 toward the cost of their medical plan through the Town until age 65. Members of the Department of Public Works union who retired between July 1, 2001 and June 30, 2007, have 100% of the medical premium cost paid for by the Town until age 65. Department of Public Works union retirees who retired between July 1, 2007 and December 31, 2011 have 100% of the medical premium cost paid for by the Town until death (age 60 to 64 primary and age 65+ Medicare supplement). Department of Public Works union employees who retired between January 1, 2012 and June 30, 2014 pay a percentage share of the medical premium cost at the same rate as active employees (based on the dual rate) and receive an annual stipend up to \$2,500 toward the cost of their own or their spouse's medical plan until age 65. Effective July 1, 2014, the stipend was reduced to \$2,250. Effective July 1, 2020 all Department of Public Works employees pay a percentage share of medical premium cost at the same rate as active employees (based on a single, single plus one and family rate). All Department of Public Works union employees hired on or after July 1, 2010 must have twenty-five years of service and reach age 60 to receive retiree medical benefits and they shall pay 50% of the medical premium costs for retiree single coverage. There is no spousal stipend for employees hired on or after July 1, 2010.

Town Hall union retirees who retired between July 1, 2011 and December 31, 2014, pay a percentage share of the medical premium cost at the same rate as active employees (based on the dual rate) and receive an annual stipend of up to \$2,400 for spouse medical coverage. For Town Hall union members who retire on or after January 1, 2015, the annual spouse medical stipend is payable up to \$2,250 until the spouse is age 65. There is no spouse medical stipend for employees hired on or after October 1, 2017. Town Hall union employees hired on or after January 1, 2015 shall pay 50% of the medical premium costs for retiree single coverage.

For members of certain Board of Education bargaining units, the Board of Education pays for a portion of retirees' health care insurance coverage. The percentage paid by the Board of Education ranges from 79% to 81% depending on the collective bargaining agreement. In addition, members of certain Board of Education bargaining units receive between \$2,500 and \$10,500, depending on the bargaining unit, at retirement.

The Town Council voted to establish an OPEB Trust effective April 29, 2010.

The Town retains Hooker & Holcombe, Inc. of Hartford, Connecticut as its OPEB actuarial consultant. Per the Town's July 1, 2020 OPEB Valuation, a total of 759 active and retired employees were eligible to receive post-employment benefits. The actuarial cost method utilized in the valuation is the Entry Age Normal (level percentage of salary). The actuarial assumptions included a closed twenty-four-year amortization of the unfunded liability and a 6.75% rate of return, which is the rate of the expected long-term investment returns of plan assets based on the funding policy of the plan as of the valuation date. See "Appendix A -Audited Financial Statements" herein for more information regarding the Town's OPEB liabilities.

The Town is in compliance with the requirements of Governmental Accounting Standards Board (GASB) Statements 74 and In accordance with GASB Statement 74, the net position is based on fair market value as of June 30th and OPEB Liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability.....	\$ 23,904,570	\$ 25,278,971	\$ 23,994,553	\$ 23,711,784	\$ 22,445,778
Plan fiduciary net position.....	19,389,044	17,474,382	20,033,275	15,425,925	14,075,006
Net OPEB liability.....	<u>\$ 4,515,526</u>	<u>\$ 7,804,589</u>	<u>\$ 3,961,278</u>	<u>\$ 8,285,859</u>	<u>\$ 8,370,772</u>
Plan fiduciary net position as a % of total pension liability.....	81.11%	69.13%	83.49%	65.06%	62.71%

Source: Audited financial statements.

The following represents the net OPEB liability of the Town, calculated using the discount rate of 6.625%, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	<u>1% Decrease</u> <u>5.625%</u>	<u>Current Rate</u> <u>6.625%</u>	<u>1% Increase</u> <u>7.625%</u>
Town's Net OPEB Liability.....	\$ 7,220,985	\$ 4,515,526	\$ 2,205,141

Source: Audited financial statements.

The following represents the Net OPEB liability of the Town, calculated using the current healthcare cost trend rates, as well as what the Town's Net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Town's Net OPEB Liability.....	\$ 1,760,021	\$ 4,515,526	\$ 7,862,844

Source: Audited financial statements.

Schedule of Funding Progress

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Overfunded</u> <u>(Unfunded)</u> <u>AAL</u> <u>(UAAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as</u> <u>a % of</u> <u>Covered</u> <u>Payroll</u>
7/1/2023 ¹	\$21,370,954	\$ 23,904,570	\$ (2,533,616)	89.4%	\$91,596,889	2.8%
7/1/2022	20,874,817	22,819,233	(1,944,416)	91.5%	60,094,526	3.2%
7/1/2020	15,425,925	22,761,404	(7,335,479)	67.8%	59,433,152	12.3%
7/1/2018	12,666,302	21,126,390	(8,460,088)	60.0%	55,555,000	15.2%
7/1/2016	9,643,494	25,317,534	(15,674,040)	38.1%	52,427,000	29.9%

¹ Interim valuation undertaken for the purposes of calculating the Actuarial Determined Employer Contribution ("ADEC").

Schedule of Employer Contributions

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2023	\$ 1,174,414	\$ 2,124,640	180.9%
2022	1,463,375	2,798,140	191.2%
2021	1,585,823	2,143,236	135.1%
2020	1,558,637	1,676,872	107.6%
2019	2,062,462	1,589,891	77.1%

Source: Audited financial statements.

The Town's actuary estimates that the Town's ADEC for the fiscal year ending 2024 will be \$864,982 and the ADEC for the fiscal year ending 2025 will be \$940,667.

INVESTMENT POLICIES AND PROCEDURES

Under Connecticut General Statutes Sections 7-400 and 7-402 as well as the Town Charter and its adopted Investment Policy, the Town Treasurer may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all the federal intermediate credit banks, the Tennessee Valley Authority, or any other agency of the United States government, (b) certain mutual funds and money market mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations and (c) certain state and municipal bonds, and may make deposits with certain qualified public depositories.

The Town's investment practices have included the following investments: (1) U.S. Treasury bonds, (2) U.S. Agency bonds and (3) certificates of deposit.

All Town pension funds are invested by pension fund administrators in mutual funds and securities. Board of Education pension funds are invested in a cost sharing, multiple employer public employee’s retirement system established by the State of Connecticut and administered by the State of Connecticut Retirement Commission to provide pension benefits for the employees of participating municipalities.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues & Transfers In	Property Tax Revenues	Property Tax Revenues as a % of General Fund Revenues
2024 ¹	\$166,625,202	\$150,738,226	90.5 %
2023	174,255,922	146,843,048	84.3
2022	165,538,736	142,661,041	86.2
2021	162,487,667	141,063,958	86.8
2020	162,452,808	141,558,586	87.1
2019	175,367,524	141,703,404	80.8
2018	164,511,836	138,764,292	84.3
2017	158,074,161	134,630,783	85.2
2016	149,982,951	130,758,741	87.2
2015	147,515,575	126,243,008	85.6

¹ Adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.

Source: Town Financial Statements; and fiscal year 2023-24 adopted budgets.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues & Transfers In	Federal & State Aid	Aid As a Percentage Of General Fund Revenue
2024 ¹	\$166,625,202	\$ 1,625,778	1.0 %
2023	174,255,922	17,054,169	9.8
2022	165,538,736	15,544,698	9.4
2021	162,487,667	14,649,153	9.0
2020	162,452,808	15,033,279	9.3
2019	175,367,524	25,875,879	14.8
2018	164,511,836	18,968,080	11.5
2017	158,074,161	17,407,495	11.0
2016	149,982,951	12,617,362	8.4
2015	147,515,575	12,358,742	8.4

¹ Adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.

Source: Town Financial Statements; and fiscal year 2023-24 adopted budgets.

MUNICIPAL BUDGET EXPENDITURE CAP

Section 4-66(h) (the “Act”), as amended, reduces a municipality’s revenue sharing grant if its general budget expenditures (as modified by the Act) in any fiscal year exceeds a threshold set forth in the Act. As a result of utilizing modified budget growth to reduce a municipality’s revenue sharing grant, the Act is sometimes popularly referred to as imposing a “spending cap”. Beginning in Fiscal Year 2018, the Office of Policy and Management (“OPM”) must reduce the municipal revenue sharing grant amount for those municipalities whose spending, with certain exceptions, exceeds the spending limits specified in the Act. Each fiscal year, OPM must determine the municipality’s percentage growth in spending over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap.

The Act requires that each municipality annually certify to the Secretary of OPM whether the municipality exceeded the spending cap and if so, the amount over the cap.

Under the Act, municipal spending does not include expenditures: (1) for debt service, special education, costs to implement court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities; (2) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or (3) for any municipal revenue sharing grant the municipality disburses to a special taxing district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for Fiscal Year 2017 disbursements, or 29.63 mills, for Fiscal Year 2018 disbursements and thereafter. In addition, if budget expenditures exceed the 2.5% cap, but are proportional to population growth from the previous year, the municipal revenue sharing grant will not be reduced.

For Fiscal Years ending June 30, 2020 and each year thereafter, each municipal revenue sharing grant is proportionately reduced if amounts in the revenue sharing account are insufficient to fund all the revenue sharing grants.

GENERAL FUND EXPENDITURES

<u>Fiscal Year</u>	<u>Education</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Debt Service</u>	<u>Public Works</u>
2024 ¹	61.8 %	7.8 %	8.7 %	11.0 %	6.6 %
2023	64.7	7.9	8.0	10.3	5.8
2022	63.5	8.6	7.9	10.6	6.1
2021	63.0	8.7	7.7	10.1	6.0
2020	63.9	8.2	7.7	10.3	5.6
2019	65.7	7.2	6.8	10.4	5.1
2018	63.6	7.7	7.1	11.0	5.2
2017	63.9	7.9	7.2	11.1	5.1
2016	60.4	8.0	7.4	11.1	5.2
2015	60.6	8.3	7.5	10.5	5.5

¹ Adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.

Source: Town Financial Statements; and fiscal year 2023-24 adopted budgets.

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**COMPARATIVE GENERAL FUND OPERATING STATEMENT - FY 2022-23 & 2023-24
(BUDGET AND ACTUAL (BUDGETARY BASIS))**

	<u>Fiscal Year 2022-223</u>			<u>Fiscal Year</u>
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2023-24 Adopted Budget</u>
REVENUES				
Property taxes, interest and liens.....	\$144,789,893	\$146,843,048	\$ 2,053,155	\$150,738,226
Intergovernmental revenue.....	1,650,520	2,182,463	531,943	1,625,778
Licenses, fees and permits.....	1,107,950	1,226,391	118,441	1,108,610
Income from investments.....	500,000	1,361,000	861,000	900,000
Fines and forfeitures.....	228,000	185,506	(42,494)	220,000
Use of money and property.....	1,111,500	873,770	(237,730)	1,182,750
Charges for services.....	3,827,613	3,564,992	(262,621)	2,636,263
Reimbursements and refunds.....	60,900	208,490	147,590	61,200
TOTAL REVENUES	<u>153,276,376</u>	<u>156,445,660</u>	<u>3,169,284</u>	<u>158,472,827</u>
EXPENDITURES				
Current:				
General government.....	13,867,781	13,865,281	2,500	12,921,694
Public safety.....	13,920,020	13,920,020	-	14,455,316
Public works.....	10,247,395	10,247,395	-	11,055,306
Human services.....	605,859	605,859	-	717,743
Parks and recreation.....	2,028,536	2,028,536	-	1,490,255
Library.....	2,562,818	2,562,818	-	2,683,880
Other agencies.....	579,377	579,377	-	658,197
Education.....	99,052,999	98,471,398	581,601	103,039,208
Contingency.....	286,987	-	286,987	650,000
Debt Service.....	18,111,717	18,111,717	-	18,394,603
TOTAL EXPENDITURES	<u>161,263,489</u>	<u>160,392,401</u>	<u>871,088</u>	<u>166,066,202</u>
Excess (deficiency) of revenues over expenditures.....	<u>(7,987,113)</u>	<u>(3,946,741)</u>	<u>4,040,372</u>	<u>(7,593,375)</u>
Other financing sources (uses):				
Appropriation of fund balance.....	5,500,000	-	(5,500,000)	6,000,000
Operating transfers in.....	2,807,619	2,983,505	175,886	2,152,375
Operating transfers out ¹	<u>(320,506)</u>	<u>(320,506)</u>	<u>-</u>	<u>(559,000)</u>
Total other financing sources (uses)	7,987,113	2,662,999	(5,324,114)	7,593,375
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	<u>\$ -</u>	<u>\$ (1,283,742)</u>	<u>\$ (1,283,742)</u>	<u>\$ -</u>

¹ Includes transfers to the Town's Capital Project Funds.

Source: Fiscal Years 2022-23 Financial Statements and 2023-234 Adopted Budget.

COMPARATIVE BALANCE SHEETS - GENERAL FUND

Fiscal Year Ended:	2019	2020	2021	2022	2023
ASSETS					
Cash and cash equivalents.....	\$ 4,828,457	\$ 3,472,784	\$ 9,051,012	\$ 4,493,289	\$ 3,061,278
Restricted cash.....	-	309,252	304,232	302,354	302,354
Investments.....	31,199,943	33,972,457	22,143,202	27,081,392	23,121,353
Property taxes receivable.....	1,359,394	1,275,308	1,422,336	1,520,330	1,484,616
Other receivables.....	210,866	288,357	174,385	976,247	975,114
Leases receivable.....	-	-	-	1,298,056	1,230,893
Inventories and prepaids.....	-	-	-	-	-
Due from other funds.....	1,650,162	1,515,705	2,730,014	2,301,632	12,266,505
Other.....	64,540	68,700	42,313	30,250	42,323
TOTAL ASSETS.....	\$39,313,362	\$40,902,563	\$35,867,494	\$38,003,550	\$42,484,436
LIABILITIES AND FUND					
LIABILITIES					
Accounts payable and accruals.....	\$ 3,720,297	\$ 3,330,867	\$ 3,921,126	\$ 3,977,470	\$ 4,547,376
Due to other funds.....	437,481	-	411,797	2,051,866	7,417,801
Performance bonds.....	314,276	309,252	304,232	302,354	302,354
Unearned revenue.....	9,250	3,000	25,823	14,202	39,520
Other liabilities.....	106,837	104,157	-	61,653	196,320
TOTAL LIABILITIES.....	4,588,141	3,747,276	4,662,978	6,407,545	12,503,371
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues.....	1,359,394	2,256,170	1,563,229	1,520,330	1,493,629
Lease related.....	-	-	-	1,263,642	1,188,895
TOTAL DEFERRED INFLOWS OF....	1,359,394	2,256,170	1,563,229	2,783,972	2,682,524
FUND BALANCES					
Nonspendable.....	-	-	-	-	41,998
Committed.....	-	400,000	309,315	-	-
Assigned.....	5,296,230	7,333,380	7,898,846	8,852,036	7,367,782
Unassigned.....	28,069,597	27,165,737	21,433,126	19,959,997	19,888,761
TOTAL FUND BALANCES	33,365,827	34,899,117	29,641,287	28,812,033	27,298,541
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$39,313,362	\$40,902,563	\$35,867,494	\$38,003,550	\$42,484,436

Source: Town Financial Statements.

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**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- GENERAL FUND**

Fiscal Year Ended:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Taxes and assessments.....	\$141,703,404	\$141,558,586	\$141,063,958	\$142,661,041	\$146,843,048
Intergovernmental revenue.....	25,857,879	15,033,279	14,649,153	15,544,698	17,054,169
Charges for services.....	6,084,052	4,728,342	6,684,335	7,182,397	6,083,690
Income on investments.....	1,486,008	1,122,601	88,896	160,646	1,363,390
Net change in fair value of investments....	-	-	-	(748,264)	(2,390)
TOTAL REVENUES.....	<u>175,131,343</u>	<u>162,442,808</u>	<u>162,486,342</u>	<u>164,800,518</u>	<u>171,341,907</u>
EXPENDITURES					
Current:					
General government.....	12,510,277	13,203,334	14,661,311	14,091,597	13,865,281
Public safety.....	11,870,822	12,406,521	12,979,762	13,051,983	13,958,055
Public works.....	8,821,325	9,040,767	9,984,933	9,962,524	10,247,395
Social services.....	557,923	489,740	464,310	458,901	436,559
Parks and recreation.....	1,784,158	1,750,392	1,625,569	1,988,248	2,028,536
Education.....	113,936,308	102,863,830	105,742,176	104,532,563	113,559,360
Payments to other agencies.....	3,008,603	3,017,284	3,099,837	3,166,421	3,311,495
Debt service.....	18,114,871	16,610,305	16,922,856	17,414,551	18,111,717
TOTAL EXPENDITURES.....	<u>170,604,287</u>	<u>159,382,173</u>	<u>165,480,754</u>	<u>164,666,788</u>	<u>175,518,398</u>
Excess (deficiency) of revenues over expenditures.....	4,527,056	3,060,635	(2,994,412)	133,730	(4,176,491)
Other financing sources (uses):					
Operating transfers in.....	236,181	10,000	-	738,218	2,914,015
Operating transfers out.....	(2,936,361)	(1,554,895)	(2,264,743)	(1,752,802)	(320,506)
Sale of capital assets.....	22,462	17,550	1,325	51,600	69,490
Total other financing sources (uses)	<u>(2,677,718)</u>	<u>(1,527,345)</u>	<u>(2,263,418)</u>	<u>(962,984)</u>	<u>2,662,999</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	1,849,338	1,533,290	(5,257,830)	(829,254)	(1,513,492)
Fund Balance - July 1.....	<u>31,516,489</u>	<u>33,365,827</u>	<u>34,899,117</u>	<u>29,641,287</u>	<u>28,812,033</u>
Fund Balance - June 30.....	<u>\$ 33,365,827</u>	<u>\$ 34,899,117</u>	<u>\$ 29,641,287</u>	<u>\$ 28,812,033</u>	<u>\$ 27,298,541</u>

Source: Town Financial Statements.

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VI. INDEBTEDNESS

PRINCIPAL AMOUNT OF BONDED INDEBTEDNESS

As of March 19, 2024

(Pro forma)

Long-Term Debt

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding Including This Issue</u>	<u>Fiscal Year Maturity</u>
7/20/2015	Refunding - General Purpose.....	2.500 - 3.00	\$ 8,756,000	\$ 2,648,000	2027
7/20/2015	Refunding - Schools.....	2.500 - 3.00	634,000	192,000	2027
5/31/2017	General Purpose.....	2.00 - 5.00	2,400,000	1,680,000	2037
5/31/2017	Schools.....	2.00 - 5.00	6,900,000	4,830,000	2037
4/30/2018	General Purpose.....	2.25 - 5.00	11,365,828	7,516,000	2038
4/30/2018	Schools.....	2.25 - 5.00	8,634,172	5,259,000	2038
11/8/2018	Refunding - General Purpose.....	4.00 - 5.00	5,459,000	3,875,000	2030
11/8/2018	Refunding - Schools.....	4.00 - 5.00	7,411,000	210,000	2030
11/8/2018	General Purpose.....	4.00 - 5.00	5,674,835	3,406,250	2039
11/8/2018	Schools.....	4.00 - 5.00	125,165	93,750	2039
1/3/2019	Refunding - General Purpose.....	5.00	12,219,000	2,457,000	2025
1/3/2019	Refunding - Schools.....	5.00	12,854,000	4,183,000	2025
10/1/2019	General Purpose.....	4.00 - 5.00	6,277,765	4,888,000	2040
10/1/2019	Schools.....	4.00 - 5.00	3,322,235	2,652,000	2040
10/1/2019	Refunding - General Purpose.....	4.00 - 5.00	14,691,000	8,845,000	2034
10/1/2019	Refunding - Schools.....	4.00 - 5.00	364,000	175,000	2031
2/4/2020	Refunding - General Purpose.....	4.00 - 5.00	4,155,000	3,220,000	2030
2/4/2020	Refunding - Schools.....	4.00 - 5.00	5,470,000	4,395,000	2027
7/30/2020	Equipment Financing Notes - Schools....	1.00	621,878	39,536	2024
4/20/2021	General Purpose.....	3.00 - 5.00	2,727,615	2,384,280	2041
4/20/2021	Schools.....	3.00 - 5.00	2,517,385	2,240,720	2041
4/20/2021	Refunding - General Purpose.....	3.00 - 5.00	1,307,000	1,061,000	2031
4/20/2021	Refunding - Schools.....	3.00 - 5.00	3,768,000	3,059,000	2031
7/1/2021	Equipment Financing Notes - Schools....	1.04	623,367	198,056	2025
12/21/2021	General Purpose.....	2.00 - 4.00	16,356,842	14,518,974	2041
12/21/2021	Schools.....	2.00 - 4.00	8,643,158	7,691,026	2041
8/15/2022	Equipment Financing Notes - Schools....	3.29	800,000	460,369	2026
8/15/2023	Equipment Financing Notes - Schools....	4.37	800,000	653,261	2027
3/19/2024	General Purpose (This Issue).....	TBD	20,113,175	20,113,175	2044
3/19/2024	Schools (This Issue).....	TBD	6,911,825	6,911,825	2044
	Total		\$181,903,245	\$119,856,222	

Source: Town Finance Department; Financial Statements.

OUTSTANDING SHORT-TERM INDEBTEDNESS

The Town has no outstanding short-term debt.

LEASES

The Town has entered into various lease agreements for the use of various items including a parking lot, a food pantry, office space and copies. As of June 30, 2023, the outstanding principal amounts of the leases totaled \$960,852. Additionally, the Town has various subscription-based arrangements for software and communication systems. As of June 30, 2023, the outstanding principal amounts of the subscription arrangements totaled \$351,325. Please see footnote F in Appendix A for more information.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

The New Canaan Sewer District (the "District") levies a user fee on all users located within the sewer district. The sewer district incorporates the downtown commercial area of Town and the surrounding neighborhoods including all of the Town's school facilities except West Elementary School. The Town budgets an amount annually to pay the District as a user of the sewer system. The District currently does not have any outstanding indebtedness.

SCHEDULE OF LONG-TERM DEBT

As of March 19, 2024 (Pro Forma)

Fiscal Year	Existing Indebtedness ¹			<i>The Bonds</i>	ALL ISSUES
	Principal Payments	Interest Payments	Total Debt Service	(<i>This Issue</i>) Principal	Total Principal
2023-24 ^{1,2}	\$ 7,750,470	\$ 1,549,892	\$ 9,300,362	\$ -	\$ 7,750,470
2024-25	12,949,073	2,988,795	15,937,868	1,595,000	14,544,073
2025-26	9,450,762	2,461,924	11,912,686	1,595,000	11,045,762
2026-27	9,270,917	2,078,667	11,349,584	1,595,000	10,865,917
2027-28	7,255,000	1,705,925	8,960,925	1,595,000	8,850,000
2028-29	6,415,000	1,413,575	7,828,575	1,595,000	8,010,000
2029-30	5,795,000	1,159,200	6,954,200	1,420,000	7,215,000
2030-31	5,520,000	934,000	6,454,000	1,420,000	6,940,000
2031-32	3,960,000	764,075	4,724,075	1,420,000	5,380,000
2032-33	3,875,000	646,975	4,521,975	1,420,000	5,295,000
2033-34	3,880,000	529,881	4,409,881	1,420,000	5,300,000
2034-35	3,190,000	425,794	3,615,794	1,195,000	4,385,000
2035-36	3,085,000	337,806	3,422,806	1,195,000	4,280,000
2036-37	3,030,000	252,269	3,282,269	1,195,000	4,225,000
2037-38	2,195,000	172,006	2,367,006	1,195,000	3,390,000
2038-39	1,640,000	108,625	1,748,625	1,195,000	2,835,000
2039-40	1,520,000	66,150	1,586,150	1,195,000	2,715,000
2040-41	1,125,000	33,750	1,158,750	1,195,000	2,320,000
2041-42	925,000	9,250	934,250	1,195,000	2,120,000
2042-43	-	-	-	1,195,000	1,195,000
2043-44	-	-	-	1,195,000	1,195,000
Total	\$ 92,831,222	\$17,638,559	\$110,469,781	\$27,025,000	\$ 119,856,222

¹ Includes both bonded debt and equipment financing notes.

² Excludes \$6,493,498 in principal payments and \$2,012,352 in interest payments made as of March 19, 2024.

Source: Annual audited financial statements.

CALCULATION OF NET DIRECT DEBT

As of March 19, 2024 (Pro Forma)

Long-term Debt	
<i>The Bonds (This Issue)</i>	\$ 27,025,000
General Improvement.....	56,499,504
Schools.....	34,980,496
Sewers.....	-
Equipment Financing Notes.....	1,351,222
Total Long-term Debt	119,856,222
Short-Term Debt	
Total Short-Term Debt	-
Total Direct Debt	119,856,222
Exclusions: (State School Construction Aid).....	-
Net Direct Debt	\$ 119,856,222

Source: Town Finance Department; Financial Statements.

CURRENT DEBT RATIOS

As of March 19, 2024 (Pro Forma)

Total Direct Indebtedness.....	\$119,856,222
Net Direct Indebtedness.....	\$119,856,222
Population ¹	20,574
Net Taxable Grand List (10/1/21).....	\$8,016,779,650
Estimated Full Value.....	\$11,452,542,357
Equalized Net Taxable Grand List (2020) ² ...	\$14,058,222,435
Per Capita Income ¹	\$119,935
Total Direct Debt:	
Per Capita.....	\$5,826
To Net Taxable Grand List.....	1.50%
To Estimated Full Value.....	1.05%
To Equalized Net Taxable Grand List.....	0.85%
Per Capita to Per Capita Income.....	4.86%
Net Direct Debt:	
Per Capita.....	\$5,826
To Net Taxable Grand List.....	1.50%
To Estimated Full Value.....	1.05%
To Equalized Net Taxable Grand List.....	0.85%
Per Capita to Per Capita Income.....	4.86%

¹ U.S. Bureau of Census, American Community Survey, 2017-21.

² Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT STATEMENT

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Population ¹	20,574	20,574	20,574	20,249	20,276
Net taxable grand list.....	\$7,936,146,520	\$7,799,999,805	\$7,733,939,643	\$7,706,360,081	\$8,344,320,446
Estimated full value.....	\$11,337,352,171	\$11,142,856,864	\$11,048,485,204	\$11,009,085,830	\$11,920,457,780
Equalized Net Taxable Grand List ²	\$14,058,222,435	\$12,399,515,908	\$10,430,282,373	\$11,009,175,830	\$11,464,169,241
Per Capita Income ¹	\$119,935	\$119,935	\$119,935	\$114,884	\$118,833
Short-term debt.....	\$0	\$0	\$0	\$0	\$0
Long-term debt.....	<u>\$98,524,630</u>	<u>\$111,703,280</u>	<u>\$99,351,265</u>	<u>\$107,049,030</u>	<u>\$113,909,522</u>
Total Direct Indebtedness.....	\$98,524,630	\$111,703,280	\$99,351,265	\$107,049,030	\$113,909,522
Net Direct Indebtedness.....	\$98,524,630	\$111,703,280	\$99,351,265	\$107,049,030	\$113,909,522

¹ U.S. Bureau of Census, American Community Survey, 2017-21.

² Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT RATIOS

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Total Direct Indebtedness:					
Per capita.....	\$4,788.79	\$5,429.34	\$4,828.97	\$5,286.63	\$5,617.95
To net taxable grand list.....	1.24%	1.43%	1.28%	1.39%	1.37%
To estimated full value.....	0.87%	1.00%	0.90%	0.97%	0.96%
To equalized net taxable grand list.....	0.70%	0.90%	0.95%	0.97%	0.99%
Debt per capita to per capita income.....	3.99%	4.53%	4.03%	4.60%	4.73%
Net Direct Indebtedness:					
Per capita.....	\$4,788.79	\$5,429.34	\$4,828.97	\$5,286.63	\$5,617.95
To net taxable grand list.....	1.24%	1.43%	1.28%	1.39%	1.37%
To estimated full value.....	0.87%	1.00%	0.90%	0.97%	0.96%
To equalized net taxable grand list.....	0.70%	0.90%	0.95%	0.97%	0.99%
Debt per capita to per capita income.....	3.99%	4.53%	4.03%	4.60%	4.73%

Source: Financial Statements.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness by issuing its bonds as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Charter, the Town Council, upon recommendation by the Board of Finance, authorizes borrowings. Such action by the Town Council becomes effective eight days after publication of notice of such action unless notice of intent to file a petition for referendum is filed with the Town Clerk within seven days after such publication. If a notice of intent to petition for referendum is filed on a timely basis, the petitioners have thirty days from the publication date to file a petition signed by at least 5% of the electors seeking repeal of the legislative action of the Town Council. Such action shall not be repealed unless the number of referendum votes in favor of repeal shall be (i) a majority of those voting; and (ii) equal to at least 15% of the number of electors of the Town as determined by the last completed registry list. Notwithstanding any provision of the Charter, the Town may authorize the issuance of refunding bonds pursuant to Section 7-370c of the Connecticut General Statutes and a resolution adopted by the Town Council.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a) subject to the exception set forth in C.G.S. 10-287f. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except for sewer notes issued in anticipation of federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

SCHOOL CONSTRUCTION PROJECTS

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for the net share of project costs.

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AUTHORIZED BUT UNISSUED DEBT

Project	Total Bond Authorization	Grants, Other Proceeds & Prior Debt	The Bonds (This Issue)	Authorized Unissued Debt
Bridge Replacement Program	\$ 3,725,000	\$ 2,918,949	\$ -	\$ 806,051
MUNIS Financial Accounting Project.....	470,000	283,649	-	186,351
Saxe Middle School Renovations.....	18,600,000	18,073,693	-	526,307
South School Improvements.....	2,600,000	2,522,016	-	77,984
Waveny House Heating System 2017.....	100,000	90,216	-	9,784
Rolling Stock 2017.....	475,000	455,948	-	19,052
Playgrounds 2017.....	300,000	278,853	-	21,147
School Buildings 2017.....	688,937	597,321	-	91,616
2018 Spartan Metrostar Custom Engine.....	613,000	612,600	-	400
Recreation 2018 Project.....	257,500	254,363	-	3,137
Wastewater Treatment Facility Bridge 2018.....	1,400,000	937,461	-	462,539
Town Buildings 2018.....	688,254	679,172	-	9,082
Police Station Renovation 2018.....	500,000	62,101	437,899	-
Waveny House 2018.....	1,000,000	959,756	40,244	-
Nature Center 2018.....	369,591	152,598	55,154	161,839
Highway Equipment 2018.....	450,000	440,076	-	9,924
Parks Equipment 2018.....	271,000	250,888	-	20,112
Fields Improvements 2018.....	550,000	549,875	-	125
School Buildings 2018.....	558,900	550,820	-	8,080
West Road Bridge 2019 (Design).....	100,000	98,810	-	1,190
South School Roof 2019.....	2,183,500	2,081,919	-	101,581
Infrastructure 2019 Project.....	900,000	727,750	-	172,250
Highway Equipment 2019 Project.....	568,000	563,983	-	4,017
Parks Equipment 2019 Project.....	246,000	243,025	-	2,975
Hook Truck 2019 Project (Transfer Station).....	120,700	103,616	-	17,084
IT 2019 Project.....	150,000	149,334	-	666
Police Vehicles 2019 Project.....	62,000	61,836	-	164
Recreation 2019 Project.....	126,000	110,924	-	15,076
Schools 2019 Project.....	783,000	721,559	-	61,441
East School Roof 2020 Project.....	2,002,000	1,636,912	-	365,088
West Road Bridge 2020 Project.....	2,000,000	1,474,023	-	525,977
Ambulance 2020 Project.....	210,000	201,464	-	8,536
Schools 2020 Project.....	2,148,500	1,580,509	299,641	268,350
DPW Parks 2020 Project.....	505,500	417,845	85,710	1,945
DPW Admin.& Engineering 2020 Project.....	2,600,000	2,383,638	184,605	31,757
DPW Town Buildings 2020 Project.....	1,375,620	1,096,043	253,694	25,883
Schools NCHS Roof 2021 Project.....	4,000,000	3,808,276	-	191,724
Information Technology 2021 Project.....	135,000	75,000	60,000	-
Ambulance 2021 Project.....	65,000	57,215	-	7,785
Police Department Cameras 2021 Project.....	226,000	-	226,000	-
DPW Town Buildings 2021 Project.....	1,300,400	224,970	870,600	204,830
DPW Administration and Engineering 2021 Project.....	2,900,000	750,000	1,800,000	350,000
DPW Highway 2021 Project.....	560,000	91,500	240,000	228,500
DWP Parks 2021 Project.....	891,000	335,721	393,928	161,351
Schools Boilers and Parking Lots 2021 Project.....	1,365,734	1,068,230	100,000	197,504
Tax Assessor 2022 Project.....	150,000	126,217	-	23,783
Information Technology 2022 Project.....	160,000	-	160,000	-
Emergency Management 2022 Project	133,292	-	-	133,292

Project	Total Bond Authorization	Grants, Other Proceeds & Prior Debt	The Bonds (This Issue)	Authorized Unissued Debt
DPW Town Buildings 2022 Project	1,084,000	-	819,993	264,007
DPW Administration and Engineering 2022 Project	2,795,000	-	2,640,443	154,557
DPW Highways 2022 Project	530,000	-	78,000	452,000
DPW Parks 2022 Project	1,537,500	-	1,056,485	481,015
Waveny Park Playground 2022 Project	455,000	-	-	455,000
Dunning Stadium Lights 2022 Project	450,000	-	-	450,000
Irwin Park Boardwalk 2022 Project	175,000	-	-	175,000
Schools 2022 Project.....	2,633,750	-	2,533,744	100,006
Innovation Center 2022 Project	200,000	-	200,000	-
Planetarium 2022 Project.....	350,000	-	350,000	-
Playhouse Theatre 2022 Project.....	1,000,000	-	1,000,000	-
Waveny House ADA Upgrades Phase II & III 2022 Project.	3,002,180	-	3,002,180	-
Police Station Study 2022 Project.....	1,200,000	-	-	1,200,000
220 Elm Street 2023 Project (Renovations).....	1,359,000	-	1,356,500	2,500
28 Grove Street 2023 Project (Purchase).....	994,775	-	994,775	-
Tax Assessor 2023 Project.....	215,000	-	215,000	-
Information Technology 2023 Project.....	210,000	-	210,000	-
Fire Equipment 2023 Project.....	1,000,000	-	-	1,000,000
Emergency Management 2023 Project.....	136,216	-	136,215	1
EMS Ambulance 2023 Project.....	280,000	-	-	280,000
Police Vehicle 2023 Project.....	360,000	-	280,000	80,000
DPW Town Buildings 2023 Project.....	1,940,750	-	1,366,750	574,000
Playhouse Theatre 2023 Project.....	4,085,000	-	350,000	3,735,000
Police Station 2023 Project.....	27,500,000	-	1,200,000	26,300,000
DPW Administration and Engineering 2023 Project.....	4,331,935	-	1,395,000	2,936,935
DPW Highways 2023 Project.....	645,000	67,000	-	578,000
DPW Parks 2023 Project.....	1,327,500	-	560,500	767,000
Dunning Stadium Lights 2023 Project	2,000,000	449,000	-	1,551,000
Schools 2023 Project.....	3,250,750	-	1,135,000	2,115,750
School Security 2023 Project.....	936,940	-	936,940	-
Total.....	<u>\$127,569,724</u>	<u>\$ 51,376,674</u>	<u>\$ 27,025,000</u>	<u>\$49,168,050</u>

Source: Town Council Bond Resolutions; Town Finance Department.

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COMPUTATION OF STATUTORY DEBT LIMIT
As of March 19, 2024 (Pro Forma)

Total fiscal year 2023 tax collections (including interest and lien fees).....	\$ 146,849,510
State Reimbursement for Revenue Loss on Tax Relief for the Elderly.....	-
Base for Establishing Debt Limit.....	<u>\$ 146,849,510</u>

Debt Limitation¹	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total Debt
(2.25 times base).....	\$330,411,398					
(4.50 times base).....		\$660,822,795				
(3.75 times base).....			\$550,685,663			
(3.25 times base).....				\$477,260,908		
(3.00 times base).....					\$440,548,530	
(7.00 times base).....						\$1,027,946,570
Indebtedness (Including this issue)						
Bonds Payable.....	\$ 56,499,504	\$ 34,980,496	\$ -	\$ -	\$ -	\$ 91,480,000
<i>The Bonds (This Issue)</i>	20,113,175	6,911,825	-	-	-	27,025,000
Equipment Financing Notes..	-	1,351,222				1,351,222
Authorized but						-
Unissued Debt.....	43,059,119	6,108,931	-	-	-	49,168,050
Gross Direct Debt.....	<u>119,671,798</u>	<u>49,352,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,024,272</u>
School grants receivable.....	-	-	-	-	-	-
Net Direct Debt.....	<u>119,671,798</u>	<u>49,352,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,024,272</u>
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$210,739,600</u>	<u>\$611,470,321</u>	<u>\$550,685,663</u>	<u>\$477,260,908</u>	<u>\$440,548,530</u>	<u>\$ 858,922,298</u>

¹ Under Connecticut General Statutes, total indebtedness for all classes cannot exceed seven times the base, or \$1,027,946,570.

Source: Town Finance Department; Financial Statements.

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CAPITAL IMPROVEMENT PROGRAM

Project Expenditures	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Assessor.....	\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ 215,000
Information Technology.....	250,000	195,000	195,000	195,000	195,000	1,030,000
Health Department.....	25,000	-	-	-	-	25,000
Fire.....	1,179,300	138,000	98,000	394,000	1,520,000	3,329,300
Parking.....	-	20,000	-	20,000	-	40,000
EMS.....	280,000	-	-	280,000	75,000	635,000
Emergency Management.....	214,216	171,576	173,170	177,858	202,877	939,697
Police.....	472,000	355,500	316,000	335,500	271,000	1,750,000
DPW Town Buildings.....	33,774,000	3,147,909	4,301,570	204,732	314,732	41,742,943
DPW Administration & Engineering....	4,948,100	6,750,000	8,240,000	3,975,000	3,540,000	27,453,100
DPW Highway.....	670,000	1,630,000	1,115,000	340,000	75,000	3,830,000
DPW Transfer Station.....	23,400	236,000	-	-	-	259,400
DPW Parks Infrastructure.....	5,049,000	1,701,000	1,006,000	1,042,000	1,907,000	10,705,000
DPW Parks Equipment.....	487,000	422,500	406,000	447,500	402,000	2,165,000
Conservation Commission.....	-	100,000	100,000	100,000	100,000	400,000
Board of Education.....	3,919,750	5,798,362	1,890,000	2,542,000	1,112,000	15,262,112
Total	\$51,506,766	\$20,665,847	\$17,840,740	\$10,053,590	\$ 9,714,609	\$109,781,552
Project Revenues	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Tax Supported Amount.....	\$ 559,000	\$ 1,051,334	\$ 1,026,383	\$ 696,255	\$ 789,024	\$ 4,121,996
Grants & Contributions.....	3,665,615	438,065	438,065	438,065	438,065	5,417,875
Bonded Debt.....	47,282,151	19,176,448	16,376,292	8,919,270	8,487,520	100,241,681
Total	\$51,506,766	\$20,665,847	\$17,840,740	\$10,053,590	\$ 9,714,609	\$109,781,552

Source: Fiscal year 2023-2024 Budget.

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VII. ADDITIONAL INFORMATION

LITIGATION

In the opinion of the Town Attorney, there are no claims or litigation pending, or to his knowledge threatened, which would individually or in the aggregate result in final judgments against the Town which would have a material adverse effect on the finances of the Town or which would impact the validity of the Bonds or the power of the Town to levy and collect taxes to pay the principal of and interest on the Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the Town on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the Town as to the plan of finance and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

TRANSCRIPT AND CLOSING DOCUMENTS

Upon the delivery of the Bonds, the purchaser will be furnished with the following:

1. Signature and No Litigation Certificate stating that at the time of delivery, no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the First Selectman and Town Treasurer, dated the date of delivery, which will certify that to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact, or omit to state a material fact, necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. A receipt for the purchase price of the Bonds;
4. The approving opinion of Pullman & Comley, LLC, Bond Counsel, in substantially the form attached hereto as Appendix B; and
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.

The Town of New Canaan has prepared a Preliminary Official Statement for the Bonds which is dated February 27, 2024. The Town deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Town will provide the purchaser with a reasonable number of copies of the Official Statement, as prepared for this issue at the Town's expense and delivered not later than seven business days after the bid opening.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the office of U.S. Bank Trust Company, National Association, of Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

Additional information may be obtained upon request from the Office of the Chief Financial Officer Attention: Ms. Anne Kelly-Lenz at (203) 594-3024, or from Munistat Services, Inc. at (203) 421-2880.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or part for any other purpose.

TOWN OF NEW CANAAN, CONNECTICUT

By: _____
Dionna L. Carlson
First Selectman

By: _____
Andrew Brooks
Town Treasurer

Dated: March __, 2024

APPENDIX A - AUDITED FINANCIAL STATEMENTS

TOWN OF NEW CANAAN, CONNECTICUT

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Appendix A - Financial Statements - is taken from the Annual Report of the Town of New Canaan for the Fiscal Year ended June 30, 2023, and does not include all the schedules or management letter in such report. A copy of the complete report is available upon request to the Chief Financial Officer, Town of New Canaan, Connecticut.

Independent Auditors' Report

Town Council
Town of New Canaan, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of New Canaan, Connecticut ("Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

Town Council
Town of New Canaan, Connecticut

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, statistical and trend information 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 13, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 13, 2023

TOWN OF NEW CANAAN

FINANCE DEPARTMENT
TOWN HALL, 77 MAIN STREET
NEW CANAAN, CT 06840

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

This discussion and analysis of the Town of New Canaan, Connecticut's ("Town") financial performance provide an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Town's financial statements and notes to the financial statements, which begin with Exhibit A in the Basic Financial Statements section.

Financial highlights

- The Town's total net position increased by \$1,503,974 from \$202,706,202 to \$204,210,176. The increase is primarily due to tax revenue, income from investments, and program revenue exceeding total expenses. The Summary Statement of Net Position and Statement of Changes in Net Position illustrate the major drivers of the increases year over year.
- Property tax collection rate remained strong at 99.7%.
- During the year, the Town implemented GASB Statement No. 96 – Subscription Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity but reported in Exhibit K, Note VI.
- Total long-term debt decreased by \$13,446,404 from \$113,283,211 to \$99,836,807 as a result of \$1,125,135 in new notes and subscriptions offset by \$14,571,539 in debt payments.
- Income from investments increased by \$1,395,116 from \$200,498 to \$1,595,614 primarily due to an increase in interest income from higher interest rates. The total change year-over-year for net change in fair value of investments was \$1,101,898.
- Education expenses increased by \$7,544,323 primarily due to fiscal year 2023 budget increase of \$6,778,901 and an increase in the State Teachers' Retirement Plan expense of \$1,953,567.
- The General Fund balance decreased by \$1,513,492, from \$28,812,033 to \$27,298,541 as reported on Exhibit D of the Financial Statements.

Overview of the basic financial statements

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

Government-wide financial statements

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

Town of New Canaan, Connecticut Management's Discussion and Analysis (continued)

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being reported as the net position. Over time, increases or decreases in net position serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

The *statement of activities* presents information showing how the Town's net position changed during the year. In this statement, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, social services, recreation, and education. The business-type activities of the Town are for Waveny pool operations.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

For governmental funds, the Town presents separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Small Bonded Capital Projects Fund which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non major governmental funds is provided in the form of combining schedules on Schedules 4 and 5.

The basic governmental fund financial statements can be found on Exhibits C, D, and E.

**Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)**

Proprietary Funds - The Town uses two different types of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in government-wide financial statements. The Town uses an enterprise fund to report the activities of the Waveny Pool Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its employees' and retirees' self-insured medical benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements but in more detail. The proprietary fund financial statements provide separate information for the Waveny Pool Fund. The Waveny Pool Fund is considered a major fund.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

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

The basic fiduciary fund financial statements can be found on Exhibits I and J.

Notes to financial statements

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

Required supplementary information

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

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

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

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$204,210,176. Of the total Town net position, \$25,810,594 (12.64%) represents resources that are subject to external restrictions on how they may be used.

**Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)**

**Summary Statement of Net Position
June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 (as restated) ^	2023	2022	2023	2022 (as restated)^
Current and other assets	\$ 63,087,123	\$ 69,557,090	\$ 344,725	\$ 337,858	\$ 63,431,848	\$ 69,894,948
Capital assets (net)	273,387,397	267,281,308	1,388,265	1,356,117	274,775,662	268,637,425
Total assets	336,474,520	336,838,398	1,732,990	1,693,975	338,207,510	338,532,373
Deferred outflows of resources	10,359,214	17,811,237	-	-	10,359,214	17,811,237
Long-term liabilities outstanding	98,429,872	115,976,430	-	-	98,429,872	115,976,430
Other liabilities	28,848,899	23,629,911	505,574	426,778	29,354,473	24,056,689
Total liabilities	127,278,771	139,606,341	505,574	426,778	127,784,345	140,033,119
Deferred inflows of resources	16,572,203	13,604,289	-	-	16,572,203	13,604,289
Net investment in capital assets	169,999,418	152,655,820	1,388,265	1,356,117	171,387,683	154,011,937
Restricted	25,810,594	11,165,650	-	-	25,810,594	11,165,650
Unrestricted	7,172,748	37,617,535	(160,849)	(88,920)	7,011,899	37,528,615
Total net position	\$ 202,982,760	\$ 201,439,005	\$ 1,227,416	\$ 1,267,197	\$ 204,210,176	\$ 202,706,202

^Restated for GASB Statement No. 96 (Exhibit K, Note VI)

The above table focuses on the net position and the comparison of the prior fiscal year to the current fiscal year.

By far, the largest portion of the Town's net position reflects its investment in capital assets (e.g., land, construction in progress, buildings, machinery and equipment, vehicles, furniture and fixtures, and infrastructure) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Details regarding the significant changes in capital assets and long-term debt can be found in Exhibit K, Notes III D, and F.

**Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)**

Below is a Statement of Changes in Net Position comparing revenues and expenses.

**Statement of Changes in Net Position
Years Ended June 30**

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 14,191,393	\$ 14,296,465	\$ 581,821	\$ 589,103	\$ 14,773,214	\$ 14,885,568
Operating grants and contributions	23,108,983	18,354,169	-	-	23,108,983	18,354,169
Capital grants and contributions	598,076	446,416	-	-	598,076	446,416
General revenues:						
Property taxes	146,807,334	142,759,035	-	-	146,807,334	142,759,035
Income from investments	1,595,614	200,498	-	-	1,595,614	200,498
Net change in fair value of investments	109,169	(992,729)	-	-	109,169	(992,729)
Other	12,467	-	-	12,666	12,467	12,666
Total revenues	186,423,036	175,063,854	581,821	601,769	187,004,857	175,665,623
Expenses:						
General government	12,666,725	21,380,415	-	-	12,666,725	21,380,415
Public safety	21,166,607	19,049,839	-	-	21,166,607	19,049,839
Public works	18,021,451	19,972,942	-	-	18,021,451	19,972,942
Social services	806,779	765,643	-	-	806,779	765,643
Park and recreation	3,423,697	2,606,757	-	-	3,423,697	2,606,757
Education	125,541,256	117,996,933	-	-	125,541,256	117,996,933
Waveny pool	-	-	500,206	443,203	500,206	443,203
Interest	3,374,162	3,897,765	-	-	3,374,162	3,897,765
Total expenses	185,000,677	185,670,294	500,206	443,203	185,500,883	186,113,497
Change in net position before transfers	1,422,359	(10,606,440)	81,615	158,566	1,503,974	(10,447,874)
Transfers	121,396	(5,300)	(121,396)	5,300	-	-
Total change in net position	1,543,755	(10,611,740)	(39,781)	163,866	1,503,974	(10,447,874)
Net position - July 1	201,439,005	212,050,745	1,267,197	1,103,331	202,706,202	213,154,076
Net position - June 30	\$ 202,982,760	\$ 201,439,005	\$ 1,227,416	\$ 1,267,197	\$ 204,210,176	\$ 202,706,202

Governmental activities

The significant changes are discussed below:

- Operating grants and contributions increased by \$4,754,814 primarily due to the second and last tranche of \$2,993,984 the Town was awarded from the American Rescue Plan Act (ARPA) in fiscal year 2021. In addition, the revenue related to the State contribution for the Teachers' retirement system increased by \$1,953,567.
- Property tax revenues were \$146,807,334 or an increase of \$ 4,048,299 (2.84%) from the prior year. The increase was due to the amount needed to be raised through taxation to cover the current year's budget.
- Income from investments increased by \$1,395,116 from \$200,498 to \$1,595,614 primarily due to an increase in interest income from higher interest rates. The total change year-over-year for the net change in fair value of investments was \$1,101,898.

Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)

- General government expenses decreased \$8,713,690 primarily due to the \$10,000,000 grant to the library incurred in the prior year, partially offset by an increase in pension expense of \$172,475.
- Public Safety expenses increased by \$2,116,768 primarily due to an increase in pension expense of \$363,194 and a year-over-year budget increase of \$892,151. Additionally, there was an increase in police extra duty expense of \$608,709 which corresponded with an increase in charges for services.
- Public Works expenses decreased \$1,951,491 due to the \$2,100,000 loss on disposal of assets in fiscal year 2022.
- Education expenses increased \$7,544,323 due to fiscal year 2023 budget increase of \$6,778,901 and an increase in the State contribution to the State Teachers' Retirement Plan of \$1,953,567.

Business-type activities

Expenses increased \$57,003 primarily due to increases in repairs and maintenance of the Steve Benko pool as compared to the prior year.

Financial analysis of the Town's funds

Governmental funds

This year showed a decrease of \$18,518,404 in fund balance on a modified accrual basis in the governmental funds. The total fund balance for governmental funds decreased to \$35,314,567 from \$53,832,971 in the prior year. See Exhibits C and D in the financial statements.

The change is a result of the activity discussed below.

The **General Fund** balance decreased by \$1,513,492, from \$28,812,033 to \$27,298,541, with \$19,888,761 being unassigned and \$7,367,782, assigned. Of the assigned fund balance, \$6,000,000 is for the subsequent year's budget. The combined unassigned and the portion assigned for the subsequent year's budget represent 16.11% of the budgetary expenditures and transfers out. The Government Finance Officers Association ("GFOA"), which develops best practices for governments, recommends a minimum fund balance of 2 months of the budgetary expenditures for restricted and unrestricted fund balances. As a result, the Town will seek to maintain a healthy reserve balance as a hedge against possible future state funding directives that could negatively affect our unassigned fund balance.

The **Small Bonded Capital Projects Fund** is a major fund used to account for expenditures related to small bonded capital projects that are not significant enough to be a stand-alone fund. The fund balance decreased by \$14,649,748 from the prior year. This is primarily due to the timing of the issuance of debt to fund capital projects. The Town typically funds capital projects using its reserves and, as projects are completed, issues bonds during the year, some of which are for projects to be completed in the subsequent fiscal year.

Some of the other governmental funds that are not considered major funds are shown in Schedules 4 and 5 after the notes to the financial statements.

Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)

Below is a summarized view of the final budget and actual results for the General Fund:

General Fund - Budget Summary
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance
Revenues			
Property taxes	\$ 144,239,893	\$ 145,895,095	\$ 1,655,202
Taxes-other than levy	550,000	947,953	397,953
Intergovernmental	1,650,520	2,182,463	531,943
Charges for services	3,827,613	3,564,992	(262,621)
Licenses and permits	1,107,950	1,226,391	118,441
Fines and forfeitures	228,000	185,506	(42,494)
Use of money and property	1,111,500	873,770	(237,730)
Reimbursements and refunds	60,900	208,490	147,590
Income from investments	500,000	1,361,000	861,000
Other financing sources	8,307,619	2,983,505	(5,324,114)
Total revenues and other financing sources	<u>161,583,995</u>	<u>159,429,165</u>	<u>(2,154,830)</u>
Expenditures			
General government	13,867,781	13,865,281	2,500
Public safety and protection	13,920,020	13,920,020	-
Public works	10,247,395	10,247,395	-
Human services	436,559	436,559	-
Recreation	2,028,536	2,028,536	-
Board of education	99,052,999	98,471,398	581,601
Library	2,562,818	2,562,818	-
Other agencies	579,377	579,377	-
Human service agencies	169,300	169,300	-
Contingency	286,987	-	286,987
Debt service	18,111,717	18,111,717	-
Other financing uses	320,506	320,506	-
Total expenditures and other financing uses	<u>161,583,995</u>	<u>160,712,907</u>	<u>871,088</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,283,742)</u>	<u>\$ (1,283,742)</u>

**Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)**

General fund budgetary highlights

Significant budget transfers include:

- A \$219,102 increase to the legal budget for additional legal fees relating to affordable housing.
- A \$366,051 increase to the police budget for overtime costs needed to cover open positions.
- A \$239,279 decrease to the recreation administration budget as a full-time position was not filled and not as many seasonal employees were needed.
- A \$226,863 decrease to the debt service budget as debt service came in lower than originally projected due to the Town not going out to market in fiscal year 2023.

Significant variances are summarized as follows:

- Tax collections were \$1,655,202 above budget due to a higher collection rate than was budgeted. The actual tax collection rate was 99.7% compared to 98.5% budgeted.
- Intergovernmental revenues were \$531,943 above budget, primarily due to \$178,613 in Municipal Revenue Sharing, \$477,329 in FEMA reimbursements that were not budgeted and an increase in reimbursement for the Educational Cost Sharing Grant of \$107,219. These were partially offset by a decrease in Excess Cost Grant of \$302,693
- Fees and charges for services were \$262,621 below budget primarily due to conveyance fees which were \$335,131 below budget due to a slowdown in the real estate market following the boom during the pandemic.
- Income from investments was \$861,000, above budget due to the increase in interest rates.
- Other financing sources include the use of fund balance to provide tax relief. The current budget included \$5,500,000 in the appropriation of the general fund balance however, the fund balance drawdown was only \$1,283,742 as a result of strong tax collections, increased income from investments, and underspending relative to the budget.
- The \$286,987 budgeted for contingency was unused at year-end.
- The Town Council approved the Board of Education's annual operating budget, which totaled \$99,052,999. By Connecticut General Statute, the Board of Education has the authority and responsibility to allocate this appropriation to the various expenditure classifications within the operating budget based on clearly articulated programs and related needs. During the year, changes between expenditure classifications occur based on shifting needs and other changes to programs or processes. When this occurs, the Board of Education authorizes transfers between expenditure classifications at its monthly meetings. Education expenditures were \$581,601 under budget, primarily due to relatively small amounts of savings in several areas, including salaries, outsourced services, property services, and purchased services.

**Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)**

A summary of the New Canaan Public Schools' budget and actual activity is as follows:

	Original Budget	Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Salaries and wages	\$64,922,739	\$ (638,991)	\$64,283,748	\$ 64,177,604	\$ 106,144
Employee benefits	16,266,131	119,346	16,385,477	16,385,477	-
Contracted services	1,563,828	(220,754)	1,343,074	1,233,109	109,965
Property services	4,783,578	400,385	5,183,963	4,993,882	190,081
Purchased services	10,152,500	(204,101)	9,948,399	9,870,288	78,111
Supplies	1,292,741	442,974	1,735,715	1,735,715	-
Equipment	263,417	109,835	373,252	364,731	8,521
Other	259,978	(17,694)	242,284	221,152	21,132
Offsets and outside support	(451,913)	9,000	(442,913)	(510,560)	67,647
Totals	\$99,052,999	\$ -	\$99,052,999	\$98,471,398	\$ 581,601

The discussion below highlights the differences between the original budget and the final budget by major object code. Overall the Board of Education underspent its final budget by \$581,601 or 0.6%.

- The District's original budget appropriation for salaries decreased by \$638,991 from \$64,922,739 to \$64,283,748. The District uses a position control program to forecast the fixed line items within the salary classification of accounts, and enrollment projections are the basis for the staffing model for classroom teachers. Variable line items, such as overtime, substitutes, instructional support, and temporary help are less predictable. In addition, there is a budgetary impact from staff turnover, teachers who earn additional degrees and advance on the salary schedule, and salary changes that have yet to be decided. The District budgets for these expenditures are based on historical information and known needs or changes for the upcoming fiscal year. As a result, it is common to have shifts between line items within the salary account.
- The budget appropriation for employee benefits increased by \$119,346, from \$16,266,131 to \$16,385,477. This increase is primarily attributed to the District's contribution to the Education Health Benefits Internal Service Fund (the Fund), which increased by \$193,903 to fund higher than projected claims.

In addition to the above, there was a decrease in actual payroll taxes of \$36,926 when compared to the budget, which is a function of the salary expenditures. Further, there was a reduction of \$36,142 in the tuition reimbursement account.

- The budget appropriation for contracted services decreased by \$220,754 from \$1,563,828 to \$1,343,074. The District relies on recurring historical expenditures and planned changes to programs when developing the budget for the line items within the contracted services account. The following accounts required less funding than anticipated in the budget: Interns (-\$129,300) due to lower than expected supply and Legal Matters (-\$76,499).
- The budget appropriation for property services increased by \$400,385, from \$4,783,578 to \$5,183,963. The increase was primarily driven by a final closeout of the Central Office Rental at 39 Locust related to the remaining balance of the renovation of the space (+\$195,529). In addition, higher than expected heating fuel was required at West School due to supply delays in the boiler update project.

Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)

- The budget appropriation for purchased services decreased by \$204,101 from \$10,152,500 to \$9,948,399. The District spent \$227,555 less on out-of-district tuition for students with special needs, \$188,054 less on home-to-school transportation, and \$83,993 more on Athletic transportation due to insufficient supply of lower-priced buses from our transportation vendor which necessitated the need for higher priced coach buses.
- The budget appropriation for supplies increased by \$442,974 from \$1,292,741 to \$1,735,715 mainly for technology equipment supplies.
- The budget appropriation for equipment increased by \$109,835 from \$263,417 to \$373,252 driven by needed custodial/maintenance equipment replacements across the district.

A summary of the New Canaan Public Schools fiscal year 2023 financial activity as compared to the prior year is as follows:

	<u>Actual Budgetary Basis</u>		Variance with Prior Year
	<u>Prior Year</u>	<u>Current Year</u>	
Salaries and wages	\$ 62,043,161	\$ 64,177,604	\$ 2,134,443
Employee benefits	13,146,867	16,385,477	3,238,610
Contracted services	1,613,533	1,233,109	(380,424)
Property services	4,947,754	4,993,882	46,128
Purchased services	8,596,643	9,870,288	1,273,645
Supplies	1,282,956	1,735,715	452,759
Equipment	567,885	364,731	(203,154)
Other	208,324	221,152	12,828
Offsets and outside support	(466,307)	(510,560)	(44,253)
Totals	<u>\$ 91,940,816</u>	<u>\$ 98,471,398</u>	<u>\$ 6,530,582</u>

The District's expenditures increased year over year by \$6,530,582 (+7.10%) to \$98,471,398. The discussion below of the variances between fiscal years reflects the most significant of the changes:

- Salaries and wages increased by \$2,134,443. The District employs over 900 staff. The list of employees includes certified and non-certified staff, substitutes, tutors, coaches, and system-wide employees. The annual salary increase in fiscal year 2023 accounts for the vast majority of the increase. The remaining year-to-year net change was primarily due to turnover savings, degree changes, and timing of backfill hires.
- Employee benefits increased by \$3,238,610. The annual contribution to the Education Health Benefits Fund for employee benefits increased by \$3,067,382. The District analyzes projected claims and related expenditures, offsets from other sources of revenue, such as employee cost share, and existing fund balance available to mitigate projected increased costs to determine the funding necessary to pay for employee benefits. In addition, there were changes in other line items within this object, such as payroll taxes increased year to year by \$93,972 and tuition reimbursement increased by \$30,770.
- Purchased services increased year to year by \$1,273,645 driven by home-to-school transportation (+\$859,982), Athletic Transportation, (+\$80,720), and out of district tuition (+\$205,122).

Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)

Proprietary funds

The proprietary fund activity is shown in Exhibits F through H. These funds include enterprise funds and internal service funds. The most significant of these is the internal service funds for self-insurance. (Schedules 7-9).

The Town Health Benefits Fund ended the year with a net position of \$1,705,195. The fund had \$7,418,380 in revenues and \$7,237,250 in operating expenses creating a change in net position of \$181,130 which increased the beginning net position of \$1,524,065. The increase is due to fewer members in the plan and lower administrative costs in fiscal year 2023.

The Education Health Benefits Fund ended the year with a net position of \$1,608,960. The fund had \$17,018,466 in revenues and \$17,834,376 in operating expenses creating a change in net position of (\$815,910). The increase is due to higher claims in fiscal year 2023.

The Waveny Pool Fund ended the year with a net position of \$1,227,416, a \$39,781 decrease from the prior year of \$1,267,197. Changes in the Steve Benko Pool Fund are discussed further in the government-wide financial analysis above.

Fiduciary Funds

The fiduciary fund activity is shown in Exhibits I through J. These funds include the Pension and OPEB Trust Funds. Detail notes on fiduciary funds are included in Exhibit K, Note VA, and VD.

The Town's retirement plan, while maintaining its fully funded status, had a 10.13% money-weighted rate of return, leading to a net investment income of \$14,997,837 due to market gains. The plan began the year with a net position of \$150,350,230. Throughout the year, the plan paid out total benefits and fees of \$8,208,088 and received \$1,851,118 in contributions, ending the year with a net position of \$158,991,097.

Capital assets and long-term liabilities

Capital assets

At the end of the year, the Town had an investment of \$273,387,397 in capital assets used in governmental activities and \$1,388,265 for business-type activities. These amounts represent a net increase (including additions and deductions) of 2.3% in capital assets or a total of \$6,138,237 from last year. Total depreciation expense was \$12,483,001 for governmental activities and \$40,952 for business-type activities.

Capital Assets - Net
June 30

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022 (as restated) ^	2023	2022	2023	2022 (as restated)
Land	\$ 71,304,044	\$ 71,304,044	\$ -	\$ -	\$ 71,304,044	\$ 71,304,044
Construction in progress	16,730,079	6,816,511	-	-	16,730,079	6,816,511
Land improvements	12,648,837	13,128,837	33,824	36,097	12,682,661	13,164,934
Intangible right-to-use assets	1,108,796	1,593,367	-	-	1,108,796	1,593,367
Buildings and improvements	119,172,817	122,786,481	1,346,759	1,312,338	120,519,576	124,098,819
Machinery and equipment	10,118,636	10,327,514	7,682	7,682	10,126,318	10,335,196
Vehicles	3,715,228	4,142,913	-	-	3,715,228	4,142,913
Infrastructure	38,588,960	37,181,641	-	-	38,588,960	37,181,641
Total	\$ 273,387,397	\$ 267,281,308	\$ 1,388,265	\$ 1,356,117	\$ 274,775,662	\$ 268,637,425

^Restated for GASB Statement No. 96 (Exhibit K, Note VI)

**Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)**

Major additions to capital assets included:

Governmental activities

• Construction in progress:	
■ Elm Street Building	\$ 1,599,003
■ Police Station	1,222,006
■ Waveny Elevator/Bathroom	1,196,373
■ Playhouse	986,436
■ All Paving	871,901
■ Saxe Boiler Replacement	623,656
■ BOE East Boiler	544,711
■ Dunning Lights	449,000
■ Waveny Park LLC	338,589
■ Saxe Floor tile	198,525
■ NC Athletic Foundation	188,343
■ Sweeper	166,445
■ NCVAC Boiler	165,535
■ Town Wide revaluation	135,000
■ Bleacher Repairs	114,645
■ Ponus Ridge Bridge	109,668
■ Auditorium Lighting	100,000
• Buildings and improvements:	
■ 28 Grove Street building purchase	960,333
■ High School, Middle & East School Flooring	553,098
■ BOE Planetarium ("The Dome")	323,050
■ Bristow Bird Sanctuary	309,733
■ Lighting Upgrade	174,994
• Machinery and equipment:	
■ Education IT equipment	800,000
■ Fire Dept. Radio Support	133,291
• Vehicles:	
■ Various Town and Board of Education Vehicles	336,000
• Intangible right-to-use assets:	
■ Various Town Lease and Subscription Based Tech Arrangements	503,790
• Infrastructure:	
■ Paving	4,127,829

Business-type activities

• Buildings and improvements:	
■ Major upgrades to the Steve Benko Pool	73,100

More detailed information about the Town's capital assets is presented in Exhibit K Note III D.

**Town of New Canaan, Connecticut
Management's Discussion and Analysis (continued)**

Long-term liabilities

	Long-Term Debt	
	June 30	
	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
		<i>(as restated) ^</i>
General obligation bonds	\$ 97,445,000	\$ 110,725,000
Notes	1,079,630	978,280
Leases payable	960,852	1,401,276
Subscriptions payable	351,325	178,655
	<u> </u>	<u> </u>
Total	<u>\$ 99,836,807</u>	<u>\$ 113,283,211</u>

^Restated for GASB Statement No. 96 (Exhibit K, Note VI)

- As of year-end, the business-type activities had no long-term debt.
- Total long-term debt decreased by \$13,446,404 from \$113,283,211 to \$99,836,807 as a result of \$1,125,135 in new notes and subscriptions offset by \$14,571,539 in debt and lease payments. The Town's general obligation bonds continue to carry a Moody's rating of "Aaa". Long-term debt is discussed in Exhibit K Note III F.

Pension and other post-employment benefits (OPEB) liability

The fiscal year 2023 approved budget included full funding of the actuarially determined employer contribution (ADEC) of \$1,090,794 to the Pension Fund. Contributions in fiscal year 2023 in relation to the OPEB Plan were \$2,124,640 which was \$950,226 in excess of the ADEC amount. For additional information on the net OPEB liability please see RSI 4A.

Economic factors and next year's budgets and rates

The 2023-2024 general fund adopted budget totals \$166,625,202. The following economic factors currently affect the Town and were considered in developing the 2023-2024 fiscal year budget:

- The increase in inflation was felt across all costs related to utilities, supplies, maintenance, and repairs.
- The uncertainty of rising mortgage rates on housing sales has a potential negative impact on conveyance fee revenue.
- Anticipated higher interest rates in fiscal year 2024 than in fiscal year 2023 having a positive impact on interest income offset by higher expected borrowing costs for financing future bonded capital projects.

Requests for information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability to its stakeholders. Requests for additional financial information should be addressed to the Finance Department of New Canaan, 77 Main Street, New Canaan, CT 06840, (203) 594-3024.

**Basic
Financial
Statements**

Town of New Canaan, Connecticut

Statement of Net Position
June 30, 2023

<u>Assets</u>		<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:				
Cash	Note III A	\$ 14,091,495	\$ 384,616	\$ 14,476,111
Investments	Note III A	31,180,994	-	31,180,994
Receivables:	Note III B			
Property taxes		842,328	-	842,328
Sewer use		12,527	-	12,527
Intergovernmental		615,495	-	615,495
Accounts		1,100,572	-	1,100,572
Leases		54,333	-	54,333
Internal balances		39,891	(39,891)	-
Other		511,187	-	511,187
Total current assets		48,448,822	344,725	48,793,547
Noncurrent assets:				
Restricted assets:				
Temporarily restricted:				
Cash	Note III A	302,354	-	302,354
Investments	Note III A	796,376	-	796,376
Permanently restricted:				
Investments	Note III A	722,355	-	722,355
Total restricted assets		1,821,085	-	1,821,085
Receivables (net):	Note III B			
Property taxes		642,288	-	642,288
Leases		1,176,560	-	1,176,560
Loans		2,000,000	-	2,000,000
Total receivables (net)		3,818,848	-	3,818,848
Net pension asset	Note V A	8,998,368	-	8,998,368
Capital assets (net of accumulated depreciation/ amortization):	Note III D			
Land		71,304,044	-	71,304,044
Construction in progress		16,730,079	-	16,730,079
Land improvements		12,648,837	33,824	12,682,661
Intangible right-to-use assets		1,108,796	-	1,108,796
Buildings and improvements		119,172,817	1,346,759	120,519,576
Machinery and equipment		10,118,636	7,682	10,126,318
Vehicles		3,715,228	-	3,715,228
Infrastructure		38,588,960	-	38,588,960
Total capital assets (net of accumulated depreciation/amortization)		273,387,397	1,388,265	274,775,662
Total noncurrent assets		288,025,698	1,388,265	289,413,963
Total assets		336,474,520	1,732,990	338,207,510
<u>Deferred Outflows of Resources</u>				
Pension related	Note V A	7,060,872	-	7,060,872
OPEB related	Note V D	3,298,342	-	3,298,342
Total deferred outflows of resources		10,359,214	-	10,359,214

(Continued)

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

Town of New Canaan, Connecticut

Statement of Net Position
June 30, 2023

		Governmental Activities	Business-type Activities	Total
<u>Liabilities</u>				
Current liabilities:				
Accounts payable		\$ 6,715,088	\$ 139,939	\$ 6,855,027
Accrued payroll and related liabilities		1,284,724	21,719	1,306,443
Retainage payable		228,100	-	228,100
Accrued interest payable		775,160	-	775,160
Unearned revenue		794,336	343,916	1,138,252
Long-term debt	Note III F	14,809,358	-	14,809,358
Compensated absences	Note III F	646,753	-	646,753
Heart and hypertension	Note III F	130,000	-	130,000
Post closure landfill costs	Note III F	25,000	-	25,000
Claims payable	Note IV A	1,677,830	-	1,677,830
Other		1,762,550	-	1,762,550
		<u>28,848,899</u>	<u>505,574</u>	<u>29,354,473</u>
Total current liabilities				
Noncurrent liabilities:				
Performance bonds		302,354	-	302,354
Long-term debt and related liabilities	Note III F	90,276,347	-	90,276,347
Compensated absences	Note III F	2,587,011	-	2,587,011
Heart and hypertension	Note III F	623,634	-	623,634
Post closure landfill costs	Note III F	125,000	-	125,000
OPEB liability	Note V D	4,515,526	-	4,515,526
		<u>98,429,872</u>	<u>-</u>	<u>98,429,872</u>
Total noncurrent liabilities				
Total liabilities				
		<u>127,278,771</u>	<u>505,574</u>	<u>127,784,345</u>
<u>Deferred Inflows of Resources</u>				
Advance property tax and sewer use collections		9,013	-	9,013
Lease related	Note III B	1,188,895	-	1,188,895
Deferred amount on refunding		4,891,237	-	4,891,237
Pension related	Note V A	3,354,962	-	3,354,962
OPEB related	Note V D	7,128,096	-	7,128,096
		<u>16,572,203</u>	<u>-</u>	<u>16,572,203</u>
Total deferred inflows of resources				
<u>Net Position</u>				
Net investment in capital assets		169,999,418	1,388,265	171,387,683
Restricted for:				
Nonexpendable endowments	Note III G	722,355	-	722,355
Pension		12,704,278	-	12,704,278
General government		3,976,709	-	3,976,709
Public safety		104,089	-	104,089
Public works		113,996	-	113,996
Sewer		3,906,688	-	3,906,688
Health and welfare		1,045,486	-	1,045,486
Culture and recreation		147,564	-	147,564
Education		1,285,575	-	1,285,575
Cafeteria		693,435	-	693,435
Parking lot repairs and maintenance		1,110,419	-	1,110,419
Unrestricted		7,172,748	(160,849)	7,011,899
		<u>\$ 202,982,760</u>	<u>\$ 1,227,416</u>	<u>\$ 204,210,176</u>
Total net position				

(Concluded)

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

Town of New Canaan, Connecticut

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 12,666,725	\$ 4,672,796	\$ 4,105,561	\$ 6,636	\$ (3,881,732)	\$ -	\$ (3,881,732)
Public safety and protection	21,166,607	2,151,120	1,998	-	(19,013,489)	-	(19,013,489)
Public works	18,021,451	2,650,449	-	591,440	(14,779,562)	-	(14,779,562)
Social services	806,779	549,612	302,710	-	45,543	-	45,543
Parks and recreation	3,423,697	914,204	18,410	-	(2,491,083)	-	(2,491,083)
Education	125,541,256	3,253,212	18,680,304	-	(103,607,740)	-	(103,607,740)
Interest	3,374,162	-	-	-	(3,374,162)	-	(3,374,162)
Total governmental activities	185,000,677	14,191,393	23,108,983	598,076	(147,102,225)	-	(147,102,225)
Business-type activities:							
Waveny pool	500,206	581,821	-	-	-	81,615	81,615
Total	<u>\$ 185,500,883</u>	<u>\$14,773,214</u>	<u>\$ 23,108,983</u>	<u>\$ 598,076</u>	<u>(147,102,225)</u>	<u>81,615</u>	<u>(147,020,610)</u>
General revenues:							
Property taxes					146,807,334	-	146,807,334
Income from investments					1,595,614	-	1,595,614
Net change in fair value of investments					109,169	-	109,169
Other					12,467	-	12,467
Total general revenues					<u>148,524,584</u>	<u>-</u>	<u>148,524,584</u>
Transfers in (transfers out)					<u>121,396</u>	<u>(121,396)</u>	<u>-</u>
Change in net position					1,543,755	(39,781)	1,503,974
Net position - July 1, 2022					<u>201,439,005</u>	<u>1,267,197</u>	<u>202,706,202</u>
Net position - June 30, 2023					<u>\$ 202,982,760</u>	<u>\$ 1,227,416</u>	<u>\$ 204,210,176</u>

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

Town of New Canaan, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

		General Fund	Small Bonded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	Note III A	\$ 3,061,278	\$ 525,868	\$ 10,119,434	\$ 13,706,580
Restricted cash	Note III A	302,354	-	-	302,354
Investments	Note III A	23,121,353	-	9,578,372	32,699,725
Receivables (net):	Note III B				
Property taxes		1,484,616	-	-	1,484,616
Sewer use		-	-	12,527	12,527
Intergovernmental		431,677	-	183,818	615,495
Accounts		543,437	-	386,865	930,302
Leases		1,230,893	-	-	1,230,893
Loans		-	2,000,000	-	2,000,000
Due from other funds	Note III C	12,266,505	-	3,028,498	15,295,003
Other		42,323	204,046	86,307	332,676
Total assets		<u>\$42,484,436</u>	<u>\$ 2,729,914</u>	<u>\$ 23,395,821</u>	<u>\$ 68,610,171</u>
<u>Liabilities</u>					
Accounts payable		\$ 3,358,685	\$ 2,621,134	\$ 554,255	\$ 6,534,074
Accrued payroll and related liabilities		1,188,691	-	96,033	1,284,724
Retainage payable		-	228,100	-	228,100
Due to other funds	Note III C	7,417,801	10,161,633	2,114,981	19,694,415
Unearned revenue		39,520	-	754,816	794,336
Performance bonds		302,354	-	-	302,354
Other		196,320	46,353	1,519,877	1,762,550
Total liabilities		<u>12,503,371</u>	<u>13,057,220</u>	<u>5,039,962</u>	<u>30,600,553</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes		1,484,616	-	-	1,484,616
Sewer use		-	-	12,527	12,527
Advance property tax and sewer use collections		9,013	-	-	9,013
Lease related	Note III B	1,188,895	-	-	1,188,895
Total deferred inflows of resources		<u>2,682,524</u>	<u>-</u>	<u>12,527</u>	<u>2,695,051</u>
<u>Fund Balances</u>					
	Note III G				
Nonspendable		41,998	-	722,355	764,353
Restricted		-	-	12,383,961	12,383,961
Committed		-	4,677,800	5,237,279	9,915,079
Assigned		7,367,782	-	-	7,367,782
Unassigned		19,888,761	(15,005,106)	(263)	4,883,392
Total fund balances		<u>27,298,541</u>	<u>(10,327,306)</u>	<u>18,343,332</u>	<u>35,314,567</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$42,484,436</u>	<u>\$ 2,729,914</u>	<u>\$ 23,395,821</u>	<u>\$ 68,610,171</u>

(Continued)

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

Town of New Canaan, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2023

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

Total fund balance (Exhibit C, Page 1 of 2)	<u>\$ 35,314,567</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning capital assets (net)	267,281,308
Capital assets additions (net of construction in progress)	18,589,090
Depreciation/amortization expense	<u>(12,483,001)</u>
Total	<u>273,387,397</u>
Other long-term assets are not available resources and, therefore, are not reported in the funds:	
Net pension asset	<u>8,998,368</u>
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are unavailable in the funds:	
Property taxes and sewer user fees accrual	1,497,143
Deferred outflows of resources related to pensions	7,060,872
Deferred outflows of resources related to OPEB	<u>3,298,342</u>
Total	<u>11,856,357</u>
Internal service funds are used by management for risk financing activities:	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>3,314,155</u>
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(98,524,630)
Lease payable	(960,852)
Subscriptions payable	(351,325)
Premiums	(5,248,898)
Compensated absences	(3,233,764)
Heart and hypertension	(753,634)
Post closure landfill costs	(150,000)
OPEB liability	(4,515,526)
Accrued interest payable	(775,160)
Deferred amount on refunding	(4,891,237)
Deferred inflows of resources related to pensions	(3,354,962)
Deferred inflows of resources related to OPEB	<u>(7,128,096)</u>
Total	<u>(129,888,084)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 202,982,760</u>

(Concluded)

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

Town of New Canaan, Connecticut

**Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended June 30, 2023**

	General Fund	Small Bonded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$146,843,048	\$ -	\$ -	\$ 146,843,048
Intergovernmental	17,054,169	392,368	5,275,772	22,722,309
Charges for services	6,083,690	-	8,107,351	14,191,041
Income from investments	1,363,390	-	232,224	1,595,614
Net change in fair value of investments	(2,390)	-	111,559	109,169
Contributions	-	178,998	805,752	984,750
Other	-	12,467	-	12,467
Total revenues	171,341,907	583,833	14,532,658	186,458,398
Expenditures:				
Current:				
General government	13,865,281	-	1,857,179	15,722,460
Public safety and protection	13,958,055	-	1,892,425	15,850,480
Public works	10,247,395	-	1,612,606	11,860,001
Social services	436,559	-	189,768	626,327
Parks and recreation	2,028,536	-	884,434	2,912,970
Education	113,559,360	-	5,670,108	119,229,468
Payments to other agencies	3,311,495	-	-	3,311,495
Debt service	18,111,717	-	-	18,111,717
Capital outlay	-	15,758,153	2,909,752	18,667,905
Total expenditures	175,518,398	15,758,153	15,016,272	206,292,823
Excess (deficiency) of revenues over expenditures	(4,176,491)	(15,174,320)	(483,614)	(19,834,425)
Other financing sources (uses):				
Issuance of debt	-	-	1,125,135	1,125,135
Sale of capital assets	69,490	-	-	69,490
Transfers in	2,914,015	526,428	1,271,632	4,712,075
Transfers out	(320,506)	(1,856)	(4,268,317)	(4,590,679)
Net other financing sources (uses)	2,662,999	524,572	(1,871,550)	1,316,021
Net change in fund balances	(1,513,492)	(14,649,748)	(2,355,164)	(18,518,404)
Fund balances - July 1, 2022	28,812,033	4,322,442	20,698,496	53,832,971
Fund Balances - June 30, 2023	\$ 27,298,541	\$ (10,327,306)	\$ 18,343,332	\$ 35,314,567

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

Town of New Canaan, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds (Exhibit D) \$ (18,518,404)

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

Capital outlay	18,589,090
Depreciation/amortization expense	<u>(12,483,001)</u>

Total 6,106,089

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 fund financial statements are not recognized in the statement of activities:

Change in property tax receivable - accrual basis change	(35,714)
Change in sewer use receivable - accrual basis change	<u>352</u>

Total (35,362)

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 however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Notes	(800,000)
Subscriptions	(325,135)

Principal repayments:	
General obligation bonds and notes	13,978,650
Leases	440,424
Subscriptions	<u>152,465</u>

Total 13,446,404

(Continued)

Town of New Canaan, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2023

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

Change in/amortization of:	
Compensated absences	\$ (245,853)
Heart and hypertension	(18,047)
Landfill closure costs	25,000
Net pension asset	8,066,502
Net OPEB liability	3,289,063
Accrued interest payable	153,591
Deferred charge on refunding	605,314
Premium	417,952
Deferred outflows related to pension	(6,355,733)
Deferred outflows related to OPEB	(1,096,290)
Deferred inflows related to pension	(2,895,005)
Deferred inflows related to OPEB	<u>(766,686)</u>
Total	<u>1,179,808</u>
Internal service funds are used by management for risk financing activities:	
The net revenue (expense) of the activities of the internal service funds is reported with governmental activities	<u>(634,780)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,543,755</u>
	(Concluded)

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

Town of New Canaan, Connecticut

**Proprietary Funds
Statement of Net Position
June 30, 2023**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	
	<u>Waveny Pool Fund</u>	<u>Internal Service Funds</u>
<u>Assets</u>		
Current assets:		
Cash	\$ 384,616	\$ 384,915
Accounts receivable	-	170,270
Due from other funds	-	4,439,303
Prepaid expenses	-	178,511
Total current assets	<u>384,616</u>	<u>5,172,999</u>
Capital assets (net):		
Land improvements	33,824	-
Buildings and improvements	1,346,759	-
Machinery and equipment	7,682	-
Total capital assets (net)	<u>1,388,265</u>	<u>-</u>
Total assets	<u>1,772,881</u>	<u>5,172,999</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	139,939	181,014
Accrued payroll and related liabilities	21,719	-
Unearned revenues	343,916	-
Claims payable	-	1,677,830
Due to other funds	39,891	-
Total current liabilities	<u>545,465</u>	<u>1,858,844</u>
<u>Net Position</u>		
Investment in capital assets	1,388,265	-
Unrestricted	<u>(160,849)</u>	<u>3,314,155</u>
Total net position	<u>\$ 1,227,416</u>	<u>\$ 3,314,155</u>

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

Town of New Canaan, Connecticut

Proprietary Funds
 Statement of Revenues, Expenses and Changes in Net Position
 For the Year Ended June 30, 2023

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	
	<u>Waveny Pool Fund</u>	<u>Internal Service Funds</u>
Operating revenues:		
Charges for services	<u>\$ 581,821</u>	<u>\$ 24,436,846</u>
Operating expenses:		
Cost of services		-
Personnel services	251,278	-
Utilities	32,901	-
Repairs and maintenance	112,159	-
Materials and supplies	29,923	-
Contracted services	21,011	-
Classes and programs	5,380	-
Other	6,602	-
Depreciation	40,952	-
Claims incurred	-	19,195,566
HSA contributions	-	1,330,400
Administration	-	4,545,660
	<u>500,206</u>	<u>25,071,626</u>
Total operating expenses		
	500,206	25,071,626
Operating income (loss)	81,615	(634,780)
Transfers out	<u>(121,396)</u>	<u>-</u>
Change in net position	(39,781)	(634,780)
Total net position - July 1, 2022	<u>1,267,197</u>	<u>3,948,935</u>
Total net position - June 30, 2023	<u>\$ 1,227,416</u>	<u>\$ 3,314,155</u>

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

Town of New Canaan, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	
	<u>Wavemy Pool Fund</u>	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:		
Receipts from customers and premiums	\$ 617,591	\$ 21,999,845
Payments to suppliers and employees	(369,887)	-
Payments for benefits and claims	-	(19,354,987)
Payments for HSA contributions	-	(1,330,400)
Payments for administration	-	(4,491,136)
	<u>247,704</u>	<u>(3,176,678)</u>
Cash flows from (used in) capital and related financing activities:		
Acquisition and construction of capital assets	<u>(73,100)</u>	<u>-</u>
Cash flows from (used in) noncapital financing activities:		
Transfers out	<u>(121,396)</u>	<u>-</u>
Net increase (decrease) in cash	53,208	(3,176,678)
Cash - July 1, 2022	<u>331,408</u>	<u>3,561,593</u>
Cash - June 30, 2023	<u>\$ 384,616</u>	<u>\$ 384,915</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:		
Operating income (loss)	\$ 81,615	\$ (634,780)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	40,952	-
Changes in operating assets and liabilities		
(Increase) decrease in:		
Accounts receivable	1,150	310,310
Due from other funds	5,300	(2,747,311)
Prepaid expenses	-	(41,366)
Increase (decrease) in:		
Accounts payable	79,067	95,890
Accrued payroll and benefits	10,300	-
Due to other funds	39,891	-
Claims payable	-	(159,421)
Unearned revenues	<u>(10,571)</u>	<u>-</u>
Net cash from (used in) operating activities	<u>\$ 247,704</u>	<u>\$ (3,176,678)</u>

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

Town of New Canaan, Connecticut

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	<u>Pension and OPEB Trust Funds</u>
<u>Assets</u>	
Investments:	
Mutual funds:	
U.S. equity	\$ 77,846,700
International equity	40,600,500
Bond	<u>59,932,941</u>
Total assets	<u>178,380,141</u>
<u>Net Position</u>	
Restricted for:	
Pensions	158,991,097
OPEB	<u>19,389,044</u>
Total net position	<u><u>\$ 178,380,141</u></u>

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

Town of New Canaan, Connecticut
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	<u>Pension and OPEB Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 3,215,434
Plan members	805,216
Teachers' retirement system	<u>111,039</u>
Total contributions	<u>4,131,689</u>
Investment income (loss):	
Net change in fair value of investments	12,929,738
Interest and dividends	<u>4,058,977</u>
Total investment income (loss)	16,988,715
Less investment expenses	<u>121,108</u>
Net investment income (loss)	<u>16,867,607</u>
Total additions	<u>20,999,296</u>
Deductions:	
Benefits	10,241,850
Administration	<u>201,917</u>
Total deductions	<u>10,443,767</u>
Change in net position	10,555,529
Net position - July 1, 2022	<u>167,824,612</u>
Net position - June 30, 2023	<u><u>\$ 178,380,141</u></u>

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

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Town of New Canaan, Connecticut

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

The Town of New Canaan, Connecticut (“Town”) was incorporated as a Town in 1801. The Town operates under a Town Council, Board of Selectmen and Board of Finance form of government. Under this form of government, the Town Council is the legislative body. The administrative branch is led by an elected three-member Board of Selectmen. The Town provides services as authorized by its charter including public safety (police and fire), public works, social services, park and recreation, education and general administrative services.

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

Town of New Canaan, Connecticut

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

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

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

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

The Town reports the following major governmental funds:

General Fund	The Town's primary operating fund. It accounts for all financial resources of the general government, except those funds required to be accounted for in another fund.
Small Bonded Capital Projects Fund	Accounts for expenditures related to small bonded capital projects that are not significant enough to be a stand-alone fund.

The Town reports the following major proprietary fund:

Waveny Pool Fund	Accounts for Waveny pool revenues and related expenses.
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Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.
Capital Project Funds	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Permanent Fund	Accounts for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title.
Internal Service Funds	Accounts for risk financing activities for medical and dental health insurance as allowed by GASB Statement No. 10.

Town of New Canaan, Connecticut

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

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

Pension Trust Funds	Accounts for the activity of the Town’s defined benefit pension plan, which accumulates resources for pension benefit payments to qualified employees.
Other Post Employment Benefits (“OPEB”) Trust Funds	Accounts for the activities of the Town’s OPEB Plan, which accumulates resources for OPEB benefit payments to qualified 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 other charges between the Town’s sewer and water operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and of the Town’s internal service fund are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Deposits and investments

a. Deposits

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

For cash flow purposes, the Town’s cash consists of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of New Canaan, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)****b. Investments**

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

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

The Town's General Fund, Internal Service Funds and pension and OPEB plans have adopted formal investment policies that defines allowable investments, prohibited investments, prohibited transactions, asset allocation guidelines and diversification guidelines and fixed income and cash equivalent guidelines. The General Fund investment policy is aligned with Connecticut General Statutes.

The investment guidelines are as follows:

The Town's pension and OPEB plan investment policy targets investments in equities of 65.00% and fixed income of 35.00%.

Reasonable precautions will be taken to avoid excessive investment concentrations to protect the portfolio against unfavorable outcomes within an asset class. Specifically, the following guidelines are in place for the pension and OPEB plans:

- a) With the exception of fixed income investments explicitly guaranteed by the U.S. Government, no single investment security shall represent more than 5.00% of total assets.
- b) With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20.00% of total plan assets.
- c) With respect to fixed income investments, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB; Moody's Baa) or higher.

c. Method used to value investments

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

Town of New Canaan, Connecticut

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

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

Fair value of investments

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

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

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town minimizes interest rate risk by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, avoiding the need to sell securities on the open market prior to maturity. The Town's interest rate risk policy targets an effective duration of the portfolio of 3.5 years and at no time can exceed 4.5 years.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town's policy for credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously and pre-qualifying institutions with which the Town may do business.
Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's investment policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously and pre-qualifying institutions with which the Town may do business and collateralization of deposits and investments in accordance with Connecticut General Statutes 36a-333.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)****2. Receivables and payables****a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

b. Property taxes and other receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 15.00% to 25.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected as of June 30, have been recorded as deferred inflows of resources since they are not considered to be available to finance expenditures of the current year. Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

Loan receivables consist of a construction line of credit to the New Canaan Library, a separate not-for-profit entity. The line of credit was furnished for the purpose of providing the library with funds needed to cover a temporary cash shortfall between construction costs and receipt of pledged donations. At year end, \$2,000,000 of the \$10,000,000 line of credit has been advanced. The pledged donations are the collateral on the loan. The loan term is ten years from the first draw with an interest rate of the Town’s borrowing cost plus 0.25%.

c. Leases receivable

The Town is a lessor for noncancellable leases of buildings and land. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

Town of New Canaan, Connecticut

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

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

Key estimates and judgments related to leases include:

Discount Rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Restricted assets

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

4. Capital assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Certain capital assets retain a salvage value of 5% of the original cost. Capital assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Land	N/A	\$ All
Construction in progress	N/A	10,000
Land improvements	20	10,000
Buildings and improvements	50	10,000
Machinery and equipment	5-15	10,000
Vehicles	8	10,000
Infrastructure	20-65	10,000
Right-to-use leased assets	Lease term	20,000
Right-to-use subscription assets	Subscription term	20,000

Town of New Canaan, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)****5. Deferred outflows/inflows of resources**

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

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

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

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

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the new debt or the remaining life of the old debt.

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

6. Compensated absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. Additionally, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement. The value of all compensated absences has been reflected in the government-wide financial statements.

Town of New Canaan, Connecticut

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

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

7. Long-term liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

8. Lease and subscription liabilities

The Town is a lessee for noncancellable leases of buildings and equipment. Additionally, the Town has certain software subscriptions that require recognition in the financial statements. The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Town of New Canaan, Connecticut

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

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

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

9. Fund equity and net position

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

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

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

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

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

Town of New Canaan, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity (continued)**

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

Minimum fund balance policy

The Board of Finance and Town Council have adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of 10.00% of the general fund operating budget.

10. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

11. Reclassifications

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

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

The General Fund and Sewer District Fund have legally adopted annual budgets.

The Town uses a basis of budgeting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in the budgetary statements included as required supplementary information.

B. Donor-restricted endowments

The Town has received certain endowments for special education programs. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the Board of Education or the applicable Trustee and is included in restricted fund balance. At year end, there was no net appreciation available for appropriation from the Sydney Weisner Fund.

Town of New Canaan, Connecticut

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

B. Donor-restricted endowments (continued)

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

C. Capital projects authorizations

The following is a summary of certain capital projects:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
2018 Waveny Elevator/Bathrooms/ADA	\$ 4,002,180	\$ 2,086,435	\$ 1,915,745
2018 Police Station Renovation	1,700,000	1,406,384	293,616
2019 Parking Lots	500,000	1,794	498,206
2020 Pavement Management Program	2,438,065	2,114,650	323,415
2020 Co-Generation Plant	775,000	662,201	112,799
2021 Pavement management	2,438,065	2,123,587	314,478
2021 Sidewalks	500,000	305,892	194,108
2021 Ponus Ridge Bridge	2,000,000	109,668	1,890,332
2021 Elm Street Building Project	8,309,000	7,848,581	460,419
2022 Playhouse	1,000,000	698,136	301,864
2023 Pavement Management Program	2,438,065	761,738	1,676,327
2023 East Boiler Replacement	593,000	544,711	48,289
2023 Grove Street	994,775	960,334	34,441
Public Safety Radio Improvements	2,600,000	2,194,257	405,743
Totals	<u>\$ 30,288,150</u>	<u>\$ 21,818,368</u>	<u>\$ 8,469,782</u>

Town of New Canaan, Connecticut

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

I. III. Detailed notes

A. Cash and investments

1. Cash

- a. Cash balances are summarized as follows:

Statement of Net Position (Exhibit A)	
Current assets	\$ 14,476,111
Noncurrent assets - temporarily restricted	<u>302,354</u>
Total cash	<u>\$ 14,778,465</u>

b. Deposits – custodial credit risk

At year end, the Town's bank balance was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 15,485,730</u>
Uninsured and uncollateralized	\$ 4,280,365
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,665,645</u>
Total amount subject to custodial credit risk	<u>\$ 5,946,010</u>

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

2. Investments

- a. Investments are summarized as follows:

Statement of Net Position (Exhibit A)	
Current assets	\$ 31,180,994
Noncurrent assets	
Temporarily restricted	796,376
Permanently restricted	722,355
Statement of Fiduciary Net Position (Exhibit I)	
Pension and OPEB trust funds	<u>178,380,141</u>
Total investments	<u>\$ 211,079,866</u>

Town of New Canaan, Connecticut

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

A. Cash and investments (continued)

- b. The Town's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Mutual funds:					
Equity	\$ 119,455,282	\$ 119,455,282	\$ -	\$ -	\$ -
Bond	60,367,722	-	-	-	60,367,722
Bank money market accounts	8,819,160	-	8,819,160	-	-
U.S. government agency securities	22,437,702	-	-	22,437,702	-
Total	\$ 211,079,866	\$ 119,455,282	\$ 8,819,160	\$ 22,437,702	\$ 60,367,722
Less pension and OPEB funds	(178,380,141)				
Other funds	\$ 32,699,725				

- c. The Town had the following recurring fair value measurements:

Investments by fair value level	Amount	Quoted Market Prices in Active Markets	Significant Observable Inputs
		Level 1	Level 2
Mutual Funds:			
Equity	\$ 119,455,282	\$ 119,455,282	\$ -
Bond	60,367,722	60,367,722	-
U.S. government agency securities	22,437,702	-	22,437,702
Total investments by fair value level	202,260,706	\$ 179,823,004	\$ 22,437,702
<u>Other investments</u>			
Bank money market accounts	8,819,160		
Total investments	\$ 211,079,866		

Level 1: Quoted prices for identical investments in active markets

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

Town of New Canaan, Connecticut

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

A. Cash and investments (continued)

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

Type of Investment	Ratings		
	AAA	Unrated	Total
Mutual funds			
Bond	\$ -	\$ 60,367,722	\$ 60,367,722
U.S. government agency securities	22,437,702	-	22,437,702
Total	\$ 22,437,702	\$ 60,367,722	\$ 82,805,424

- e. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. government agency securities	\$ 22,437,702	\$ 1,000,000	\$ 21,437,702

In addition to the SIPC insurance, the trustees have additional insurance. One account is covered by the trustee's additional insurance up to \$24,500,000 per client with an aggregate loss limit of \$100,000,000. The other account is covered by the trustee's additional insurance with an aggregate loss limit of \$500,000,000.

Town of New Canaan, Connecticut

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

B. Receivables

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

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$ 578,753	\$ 263,575	\$ 842,328
Long-term portion	767,185	252,499	1,019,684
Less allowance for uncollectibles	<u>(287,278)</u>	<u>(90,118)</u>	<u>(377,396)</u>
Net long-term portion	<u>479,907</u>	<u>162,381</u>	<u>642,288</u>
Total receivable	<u>\$ 1,058,660</u>	<u>\$ 425,956</u>	<u>\$ 1,484,616</u>

2. Leases receivable

The Town reports the following lease balances and activity:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Concession facility	\$ 50,041	\$ 44,811	\$ 12,221	\$ 935
Land	1,137,415	1,102,085	23,040	17,485
Outback building	43,437	41,999	35,999	1,214
Kiwanis Park	-	-	3,486	226
New Canaan Playhouse	-	-	22,729	352
Total	1,230,893	<u>\$ 1,188,895</u>	<u>\$ 97,475</u>	<u>\$ 20,212</u>
Less: current portion	<u>(54,333)</u>			
Long-term portion	<u>\$ 1,176,560</u>			

Description	Terms
Concession facility	In January 2022, the Town is lessor in a five-year lease agreement for the lease of the concession facilities at Mead Park Lodge and Waveny Park. Based on this agreement, the Town is receiving annual payments through December 2026. Extension of the lease requires mutual agreement.

Town of New Canaan, Connecticut

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

B. Receivables (continued)

Description	Terms
Land	In March 1999, the Town entered into an agreement to extend a 1972 land lease through 2071. Based on this agreement, the Town is receiving annual payments through May 2071.
Outback building	In May 2019, the Town is lessor in a five-year lease agreement for the right to use a building. The lease is not reasonably certain of being extended. Based on this agreement, the Town is receiving monthly payments through August 2024.
Kiwanis Park	In May 2022, the Town is lessor in a lease agreement for the right to use a building and tract of land. Based on this agreement, the Town is receiving annual payments through August 2023.
New Canaan Playhouse	The Town is lessor in two lease agreements for the right to use a portion of the playhouse. Both leases were terminated in December 2022.

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Small Bonded Capital Projects Fund	N/A	\$ 10,161,633	\$ -
Special Revenue Funds	N/A	2,064,981	2,230,633
Capital Projects Funds	N/A	-	747,865
Waveny Pool Fund	N/A	39,891	-
Internal Service Funds	N/A	-	4,439,303
Total General Fund		12,266,505	7,417,801
Small Bonded Capital Projects Fund	General Fund	-	10,161,633
Waveny Pool Fund	General Fund	-	39,891

Town of New Canaan, Connecticut

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

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Other Governmental Funds			
Special Revenue Funds			
Sewer Taxing District Fund	General Fund	\$ -	\$ 5,835
School Lunch Fund	General Fund	-	812,515
Summer Learning Fund	General Fund	-	4,787
School Activity Fund	General Fund	-	53,086
Town Projects Fund	General Fund	617,528	147,140
Facilities Rental Fund	General Fund	-	99,949
Special Projects Fund	General Fund	1,135,542	-
Extra Duty Fund	General Fund	-	224,579
State and Federal Educational			
Grants Fund	General Fund	-	645,308
School Donation Fund	General Fund	-	37,806
General Government Fund	General Fund	101,903	264
Affordable Housing Fund	General Fund	375,660	-
Visual and Performing Arts Fund	General Fund	-	33,712
Capital Project Funds			
Tax Supported Capital Fund	General Fund	12,953	-
Special Bonding Fund	General Fund	334,912	-
Special Bonding Fund	Land Acquisition Fund	-	50,000
Public Safety Radio Fund	General Fund	400,000	-
Land Acquisition Fund	Special Bonding Fund	50,000	-
Total Other Governmental Funds		<u>3,028,498</u>	<u>2,114,981</u>
Internal Service Funds			
Education Health Benefits Fund	General Fund	2,396,379	-
Town Health Benefits Fund	General Fund	2,042,924	-
Total Internal Service Funds		<u>4,439,303</u>	<u>-</u>
Grand Total		<u>\$ 19,734,306</u>	<u>\$ 19,734,306</u>

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

Town of New Canaan, Connecticut

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

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

A summary of interfund transfers is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Special Revenue Funds	N/A	\$ 350,000	\$ 88,506
Capital Projects Funds	N/A	2,442,619	232,000
Waveny Pool Fund	N/A	121,396	-
Total General Fund		<u>2,914,015</u>	<u>320,506</u>
Small Bonded Capital Projects Fund			
Road Paving Fund	N/A	526,428	-
Saxe School Improvement Fund	N/A	-	1,856
Total Small Bonded Capital Projects Fund		<u>526,428</u>	<u>1,856</u>
Waveny Pool Fund	General Fund	-	121,396
Other Governmental Funds			
Special Revenue Funds			
Town Projects Fund	Town Projects Fund	150,000	150,000
Special Projects Fund	General Fund	88,506	-
Extra Duty Fund	General Fund	-	350,000
Capital Project Funds			
Tax Supported Capital Fund	General Fund	232,000	-
Special Bonding	General Fund	-	2,442,619
Special Bonding	Land Acquisition Fund	-	50,000
Road Paving Fund	Small Bonded Capital Projects Fund	-	526,428
Road Paving Fund	Saxe School Improvement Fund	-	292,970
Road Paving Fund	South School Improvement Fund	-	41,509
Road Paving Fund	Bridge Replacement Funds	-	297,885
South School Improvement Fund	Road Paving Fund	41,509	-
Saxe School Improvement Fund	Small Bonded Capital Projects Fund	1,856	-
Saxe School Improvement Fund	Road Paving Fund	292,970	-
Saxe School Improvement Fund	Waveny Roof fund	37,170	-
Saxe School Improvement Fund	Track Fund	79,311	-
Saxe School Improvement Fund	Mead Baseball Fields Fund	425	-
Waveny Roof fund	Saxe School Improvement Fund	-	37,170
Track Fund	Saxe School Improvement Fund	-	79,311
Mead Baseball Fields Fund	Saxe School Improvement Fund	-	425
Bridge Replacement Funds	Road Paving Fund	297,885	-
Land Acquisition Fund	Special Bonding	50,000	-
Total Other Governmental Funds		<u>1,271,632</u>	<u>4,268,317</u>
Total		<u>\$ 4,712,075</u>	<u>\$ 4,712,075</u>

Transfers are used to account for the financing by the general fund of various programs and activities in other funds, return of administrative fees to general fund, for extra duty charges, and closing out of capital projects.

Town of New Canaan, Connecticut

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

D. Capital assets

Capital asset activity for the year was as follows:

Governmental Activities:

	Balance July 1, 2022 <i>(as restated)</i> [^]	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated/ amortized				
Land	\$ 71,304,044	\$ -	\$ -	\$ 71,304,044
Construction in progress	6,816,511	10,867,299	953,731	16,730,079
Total capital assets not being depreciated/amortized	78,120,555	10,867,299	953,731	88,034,123
Capital assets being depreciated/amortized				
Intangible right-to-use-assets	2,000,624	325,135	-	2,325,759
Land improvements	20,491,051	371,691	-	20,862,742
Buildings and improvements	211,656,260	2,400,498	-	214,056,758
Machinery and equipment	28,585,477	1,271,525	-	29,857,002
Vehicles	13,368,318	336,075	-	13,704,393
Infrastructure	61,863,153	3,970,598	-	65,833,751
Total capital assets being depreciated/ amortized	337,964,883	8,675,522	-	346,640,405
Total capital assets	416,085,438	19,542,821	953,731	434,674,528
Less accumulated depreciation/amortization				
Intangible right-to-use-assets	407,257	809,706	-	1,216,963
Land improvements	7,362,214	851,691	-	8,213,905
Buildings and improvements	88,869,779	6,014,162	-	94,883,941
Machinery and equipment	18,257,963	1,480,403	-	19,738,366
Vehicles	9,225,405	763,760	-	9,989,165
Infrastructure	24,681,512	2,563,279	-	27,244,791
Total accumulated depreciation/amortization	148,804,130	12,483,001	-	161,287,131
Net capital assets being depreciated/ amortized	189,160,753	(3,807,479)	-	185,353,274
Net capital assets	\$267,281,308	\$ 7,059,820	\$ 953,731	\$ 273,387,397

[^]Restated for GASB Statement No. 96 (Exhibit K, Note VI).

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

	Asset	Accumulated Amortization
Intangible right-to-use leased buildings and improvements	\$ 1,698,999	\$ 1,028,319
Intangible right-to-use leased machinery and equipment	110,765	61,006
Intangible right-to-use leased infrastructure	12,205	12,205
Intangible right-to-use subscription assets	503,790	115,433
Total intangible right-to-use assets	\$ 2,325,759	\$ 1,216,963

Town of New Canaan, Connecticut

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

D. Capital assets (continued)

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

General government	\$ 187,435
Public safety	909,313
Public works	4,853,429
Parks and recreation	476,348
Education	<u>6,056,476</u>
Total depreciation/amortization expense	<u>\$ 12,483,001</u>

Business-Type Activities:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets being depreciated				
Land improvements	\$ 47,626	\$ -	\$ -	\$ 47,626
Buildings and improvements	1,988,163	73,100	-	2,061,263
Machinery and equipment	<u>153,629</u>	<u>-</u>	<u>-</u>	<u>153,629</u>
Total capital assets being depreciated	<u>2,189,418</u>	<u>73,100</u>	<u>-</u>	<u>2,262,518</u>
Less accumulated depreciation				
Land improvements	11,529	2,273	-	13,802
Buildings and improvements	675,825	38,679	-	714,504
Machinery and equipment	<u>145,947</u>	<u>-</u>	<u>-</u>	<u>145,947</u>
Total accumulated depreciation	<u>833,301</u>	<u>40,952</u>	<u>-</u>	<u>874,253</u>
Net capital assets	<u>\$ 1,356,117</u>	<u>\$ 32,148</u>	<u>\$ -</u>	<u>\$ 1,388,265</u>

Depreciation expense was charged to the Waveny Pool Fund.

E. Construction commitments

The Town had the following construction contract commitments:

Rehabilitation of bridge	\$ 914,074
220 Elm Street	235,922
Asbestos abatement	90,300
Waveny House	1,291,050
Playhouse	<u>146,454</u>
Total	<u>\$ 2,677,800</u>

Town of New Canaan, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities

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

1. Summary of changes

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

Governmental Activities:

Description	Original Amount	Year of Issue	Year of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated) ^</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Bonds:										
General Purpose:										
Refunding bonds	\$ 8,756,000	2015	2025	2.50-3.00%	\$ 4,326,000	\$ -	\$ 839,000	\$ 3,487,000	\$ 839,000	\$ 2,648,000
General obligation	2,400,000	2017	2037	3.00%	1,800,000	-	120,000	1,680,000	120,000	1,560,000
General obligation	11,365,828	2018	2039	2.25-5.00%	8,287,000	-	771,000	7,516,000	774,000	6,742,000
Refunding bonds - Series B	5,459,000	2018	2029	4.00-5.00%	4,791,000	-	456,000	4,335,000	460,000	3,875,000
Refunding bonds - Series C	11,584,000	2018	2025	5.00%	4,034,000	-	1,577,000	2,457,000	1,199,000	1,258,000
General obligation - Series D	5,674,835	2018	2028	3.50-5.00%	4,313,750	-	453,750	3,860,000	453,750	3,406,250
General obligation	6,277,765	2019	2039	4.00-5.00%	5,582,000	-	347,000	5,235,000	347,000	4,888,000
Refunding bonds	14,691,000	2019	2033	4.00-5.00%	10,886,000	-	1,006,000	9,880,000	1,035,000	8,845,000
Refunding bonds	4,155,000	2020	2030	4.00-5.00%	3,755,000	-	535,000	3,220,000	539,000	2,681,000
General obligation	2,727,615	2021	2041	3.00-5.00%	2,555,950	-	171,670	2,384,280	171,670	2,212,610
Refunding bonds	1,307,000	2021	2031	1.50-2.00%	1,185,000	-	124,000	1,061,000	126,000	935,000
General obligation	16,356,842	2022	2042	2.00-4.00%	16,356,842	-	918,933	15,437,909	918,935	14,518,974
Total general purpose					67,872,542	-	7,319,353	60,553,189	6,983,355	53,569,834
School bonds:										
Refunding bonds	634,000	2015	2025	2.50-3.00%	314,000	-	61,000	253,000	61,000	192,000
General obligation	6,900,000	2017	2037	3.00%	5,175,000	-	345,000	4,830,000	345,000	4,485,000
General obligation	8,634,172	2018	2038	2.25-5.00%	5,933,000	-	674,000	5,259,000	671,000	4,588,000
Refunding bonds - Series B	7,411,000	2018	2029	4.00-5.00%	2,539,000	-	1,164,000	1,375,000	1,165,000	210,000
Refunding bonds - Series C	12,854,000	2018	2025	5.00%	5,646,000	-	1,463,000	4,183,000	2,041,000	2,142,000
General obligation - Series D	125,165	2018	2028	3.50-5.00%	106,250	-	6,250	100,000	6,250	93,750
General obligation	3,322,235	2019	2040	4.00-5.00%	2,988,000	-	168,000	2,820,000	168,000	2,652,000
Refunding bonds	364,000	2019	2033	4.00-5.00%	244,000	-	34,000	210,000	35,000	175,000
Refunding bonds	5,470,000	2020	2030	4.00-5.00%	5,470,000	-	1,075,000	4,395,000	1,086,000	3,309,000
General obligation	2,517,385	2021	2041	3.00-5.00%	2,379,050	-	138,330	2,240,720	138,330	2,102,390
Refunding bonds	3,768,000	2021	2031	1.50-2.00%	3,415,000	-	356,000	3,059,000	364,000	2,695,000
General obligation	8,643,158	2022	2042	2.00-4.00%	8,643,158	-	476,067	8,167,091	476,065	7,691,026
Total school bonds					42,852,458	-	5,960,647	36,891,811	6,556,645	30,335,166
Total bonds					110,725,000	-	13,280,000	97,445,000	13,540,000	83,905,000

Town of New Canaan, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Description	Original Amount	Year of Issue	Year of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i> [^]	Additions	Deductions	Balance June 30, 2023	Current Portion	Long-Term Portion
Equipment Financing Notes:										
Technology Equipment	\$ 600,000	2019	2023	2.26%	\$ 155,098	\$ -	\$ 155,098	\$ -	\$ -	\$ -
Technology Equipment	621,878	2020	2024	1.00%	313,541	-	155,987	157,554	157,554	-
Technology Equipment	625,367	2021	2025	1.04%	509,641	-	193,981	315,660	157,010	158,650
Technology Equipment	800,000	2022	2026	3.29%	-	800,000	193,584	606,416	195,535	410,881
Total notes					<u>978,280</u>	<u>800,000</u>	<u>698,650</u>	<u>1,079,630</u>	<u>510,099</u>	<u>569,531</u>
Total bonds/notes					111,703,280	800,000	13,978,650	98,524,630	14,050,099	84,474,531
Leases payable					1,401,276	-	440,424	960,852	595,159	365,693
Subscriptions payable					<u>178,655</u>	<u>325,135</u>	<u>152,465</u>	<u>351,325</u>	<u>164,100</u>	<u>187,225</u>
Total long-term debt					113,283,211	1,125,135	14,571,539	99,836,807	14,809,358	85,027,449
Premium					<u>5,666,850</u>	-	417,952	5,248,898	-	5,248,898
Total long-term debt and related liabilities					<u>118,950,061</u>	<u>1,125,135</u>	<u>14,989,491</u>	<u>105,085,705</u>	<u>14,809,358</u>	<u>90,276,347</u>
Compensated absences					2,987,911	3,043,982	2,798,129	3,233,764	646,753	2,587,011
Heart and hypertension					735,587	80,203	62,156	753,634	130,000	623,634
Post closure landfill costs					175,000	-	25,000	150,000	25,000	125,000
Net OPEB liability					<u>7,804,589</u>	<u>2,546,202</u>	<u>5,835,265</u>	<u>4,515,526</u>	-	4,515,526
Total long-term liabilities					<u>\$ 130,653,148</u>	<u>\$ 6,795,522</u>	<u>\$ 23,710,041</u>	<u>\$ 113,738,629</u>	<u>\$ 15,611,111</u>	<u>\$ 98,127,518</u>

[^]Restated for GASB Statement No. 96 (Exhibit K, Note VI).

All long-term liabilities are generally liquidated by the General Fund.

Town of New Canaan, Connecticut

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

F. Changes in long-term liabilities (continued)

The following is a summary of amounts to be provided for the retirement of bond and note maturities:

Year Ended June 30:	Governmental Activities		
	Bond Principal	Note Principal	Total Interest
2024	\$ 13,540,000	\$ 510,099	\$ 3,539,302
2025	12,395,000	360,716	2,965,444
2026	9,040,000	208,815	2,447,161
2027	9,060,000	-	2,072,875
2028	7,255,000	-	1,705,925
2029	6,415,000	-	1,413,575
2030	5,795,000	-	1,159,200
2031	5,520,000	-	934,000
2032	3,960,000	-	764,075
2033	3,875,000	-	646,975
2034	3,880,000	-	529,881
2035	3,190,000	-	425,794
2036	3,085,000	-	337,806
2037	3,030,000	-	252,269
2038	2,195,000	-	172,006
2039	1,640,000	-	108,625
2040	1,520,000	-	66,150
2041	1,125,000	-	33,750
2042	925,000	-	9,250
Totals	\$ 97,445,000	\$ 1,079,630	\$ 19,584,063

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$1,079,630 are secured with collateral of the equipment purchased.

Town of New Canaan, Connecticut

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

F. Changes in long-term liabilities (continued)

3. Statutory debt limitations

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 320,978,993	\$ 60,553,189	\$ 260,425,804
Schools	641,957,985	36,891,811	605,066,174
Sewer	534,964,988	-	534,964,988
Urban renewal	463,636,323	-	463,636,323
Pension deficit	427,971,990	-	427,971,990

The total overall statutory debt limit for the Town is equal to 7 times the annual receipts for the prior year taxation: \$ 998,601,310

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

4. Authorized/unissued debt

The amount of authorized and unissued bonds are as follows:

Project	Amount
General purpose	\$ 27,599,764
Schools	8,835,882
Total	<u>\$ 36,435,646</u>

5. Heart hypertension

Under Connecticut General Statutes, the Town is obligated to pay for certain former public safety employees job related medical costs for the remainder of the employee's life. The liability represents an actuarially based estimate of future costs.

6. Municipal solid waste landfill closure and post-closure care costs

State and Federal laws and regulations require that the Town perform certain maintenance and monitoring functions at the landfill site for 30 years. Estimated total current costs of landfill post-closure care is \$150,000 which is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfill. However, the actual cost of monitoring and other post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

Town of New Canaan, Connecticut

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

F. Changes in long-term liabilities (continued)**7. Leases**

Lease agreements are summarized as follows:

Governmental Activities:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Parking lot	2022	2	1.53%	\$ 12,205	\$ -
Food pantry	2022	3.5	1.53%	40,572	17,640
Office space	2022	4	1.53%	1,658,428	905,268
Copiers	2022	3.5	1.53%	110,765	37,944
Total				<u>\$ 1,821,970</u>	<u>\$ 960,852</u>

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

Description	Terms
Parking lot	The Town leases a parking lot. The lease agreement contains a five year extension period that is not reasonably certain of renewal.
Food pantry	The lease term includes a one year additional term that the Town anticipates renewing. The lease payments are estimated based on the original term lease payments.
Office space	The lease agreement was modified and the lease was transferred from the Board of Education to the Town, effective July 1, 2023. No extension terms are expected under the modified lease.
Copiers	The Town has two copier leases which are not renewable and the Town will not acquire the equipment at the end of the term.

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

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2024	\$ 595,159	\$ 14,701	\$ 609,860
2025	365,693	5,595	371,288
Totals	<u>\$ 960,852</u>	<u>\$ 20,296</u>	<u>\$ 981,148</u>

Town of New Canaan, Connecticut

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

F. Changes in long-term liabilities (continued)**8. Subscription arrangements**

Subscription arrangements are summarized as follows:

Governmental Activities:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Enterprise immune system	2023	3	4.37%	\$ 116,328	\$ 79,198
Communications network	2023	3	4.37%	150,520	102,477
Regional permitting and cloud software	2023	2	4.37%	58,286	32,008
Network software	2023	4	4.37%	178,655	137,642
Total				<u>\$ 503,789</u>	<u>\$ 351,325</u>

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

Description	Terms
Enterprise immune system	The Town has a subscription arrangement for enterprise immune system software. This arrangement does not include extension or termination terms.
Communications network	The Town has a subscription arrangement for the communications network. This arrangement does not include extension or termination terms.
Regional permitting and cloud software	The Town has a subscription arrangement for regional permitting and cloud software. This arrangement does not include extension or termination terms.
Network software	The Town has a subscription arrangement for network software. The Town has a termination option which is not expected to be exercised. Any option to extend must be mutually agreed upon.

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

Governmental Activities:

Year Ending June 30	Principal	Interest
2024	\$ 164,100	\$ 15,353
2025	138,264	8,182
2026	48,961	2,140
Totals	<u>\$ 351,325</u>	<u>\$ 25,675</u>

Town of New Canaan, Connecticut

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

G. Fund balance and restricted net position classifications

Fund balances are classified as follows:

	General Fund	Small Bonded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Leases	\$ 41,998	\$ -	\$ -	\$ 41,998
Special education	-	-	56,500	56,500
Scholarships	-	-	665,855	665,855
Total Nonspendable	41,998	-	722,355	764,353
Restricted:				
General government	-	-	738,258	738,258
American rescue plan act	-	-	3,238,451	3,238,451
Public safety	-	-	104,089	104,089
Public works	-	-	113,996	113,996
Sewer operations*	-	-	3,906,688	3,906,688
Health and welfare programs	-	-	1,045,486	1,045,486
Culture and recreation programs	-	-	147,564	147,564
Education	-	-	1,285,575	1,285,575
Cafeteria operations*	-	-	693,435	693,435
Parking lot repairs and maintenance*	-	-	1,110,419	1,110,419
Total Restricted	-	-	12,383,961	12,383,961
Committed:				
General government	-	-	401,865	401,865
Police	-	-	248,326	248,326
Movie theater operations and projects	-	-	100,463	100,463
Education	-	-	586,290	586,290
Library loan receivable	-	2,000,000	-	2,000,000
Capital projects:				
Public safety radio	-	-	405,743	405,743
Land acquisition	-	-	150,000	150,000
Construction contracts	-	2,677,800	-	2,677,800
Other capital projects	-	-	3,344,592	3,344,592
Total Committed	-	4,677,800	5,237,279	9,915,079

Town of New Canaan, Connecticut

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

G. Fund balance and restricted net position classifications (continued)

	General Fund	Small Bonded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assigned:				
Compensated absences	\$ 265,372	\$ -	\$ -	\$ 265,372
Heart and hypertension	658,158	-	-	658,158
Storm damage	102,151	-	-	102,151
Education	342,101	-	-	342,101
Subsequent year's budget	6,000,000	-	-	6,000,000
	<u>7,367,782</u>	<u>-</u>	<u>-</u>	<u>7,367,782</u>
Total Assigned				
Unassigned	<u>19,888,761</u>	<u>(15,005,106)</u>	<u>(263)</u>	<u>4,883,392</u>
Total fund balance	<u>\$ 27,298,541</u>	<u>\$ (10,327,306)</u>	<u>\$ 18,343,332</u>	<u>\$ 35,314,567</u>
General Fund encumbrances totaled:	<u>\$ 342,101</u>			
*The amount of restricted net position, which was restricted by enabling legislation totaled:				<u>\$ 5,710,542</u>

H. Deficit fund balance

The Sydney Weisner fund had a deficit fund balance at year end of \$263. The deficit will be eliminated by income from investments and future transfers from other funds.

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

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

The Town is a member of the Connecticut Interlocal Risk Management Agency ("CIRMA"), formed by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's workers' compensation pool and liability-auto-property ("LAP") risk pools. The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's workers' compensation pool retains \$1,000,000 per occurrence and purchases insurance above that amount to the limit of liability of \$25,000,000 per occurrence.

Town of New Canaan, Connecticut

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

A. Risk management (continued)

The Town is also a member of CIRMA's liability-auto-property ("LAP") pool, a risk sharing pool. The LAP pool's retention limits for general, personal injury and advertising injury, auto, employee benefits, law enforcement, public officials and school leaders' liability are \$1,000,000 per occurrence and purchases insurance above that amount to the limit of liability of \$25,000,000 per occurrence.

The Town utilizes a risk management fund (the Internal Service Fund) to account for and finance its uninsured risks of loss. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Town and Board of Education pay premiums to the Internal Service Fund for employees for medical and dental claims. The premium is calculated to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. The Town and Board of Education retain insurance policies for employee claims in excess of the maximum liability amounts. Maximum liability to the Town and Board of Education per covered participant is \$100,000 and \$300,000, respectively. A third party administers the plans in exchange for an administrative fee.

Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

The claims liability reported in the fund is based upon accounting principles, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

Changes in the balances of claim liabilities during the past two years is as follows:

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
<u>Town Health Benefits</u>				
2021-2022	\$ 384,659	\$ 4,409,272	\$ 4,473,931	\$ 320,000
2022-2023	320,000	4,626,561	4,646,561	300,000
<u>Education Health Benefits</u>				
2021-2022	1,217,896	13,785,267	13,485,912	1,517,251
2022-2023	1,517,251	14,569,005	14,708,426	1,377,830
<u>Total</u>				
2021-2022	<u>\$ 1,602,555</u>	<u>\$ 18,194,539</u>	<u>\$ 17,959,843</u>	<u>\$ 1,837,251</u>
2022-2023	<u>\$ 1,837,251</u>	<u>\$ 19,195,566</u>	<u>\$ 19,354,987</u>	<u>\$ 1,677,830</u>

Town of New Canaan, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****B. Commitments and litigation**

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

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

V. Pensions and other post-employment benefit (“OPEB”) plans**A. Pension plan****1. Plan description****a. Plan administration**

The Town is the administrator of a single employer public employee retirement system (“Plan”), the Retirement Plan of the Town of New Canaan, established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers who are covered under the Connecticut State Teachers’ Retirement System (“TRS”)). The Plan is considered to be part of the Town of New Canaan’s financial reporting entity and is included in the Town’s financial statement as a pension trust fund. A separate stand-alone financial report is not issued. Benefits may be changed by the Town Council through union agreements or other action.

The plan provides retirement benefits through a single employer contributory defined benefit plan. Members include bargained and non-bargained Town employees and employees of the department of public works (“DPW”), police and fire departments, education department, and the employees of the library. Temporary employees, employees working less than 20 hours per week and any education employee covered under the TRS are excluded. The plan is closed to new entrants except for police and fire department employees and education bargained employees.

A pension committee oversees the pension administration and activities. This committee is comprised of the following voting members: the First Selectman, the Town’s Finance Director, a member of the Board of Finance, an appointee of the police union and an appointee of the fire union. An appointee of the public works union attends the meetings but is not a voting member.

Town of New Canaan, Connecticut

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

A. Pension plan (continued)

b. Plan membership

As of July 1, 2022, membership in the plan is comprised of the following:

Retirees and beneficiaries receiving benefits	329
Terminated employees entitled to benefits	171
Active members	<u>283</u>
Total	<u><u>783</u></u>

2. Benefit provisions

Normal retirement	Police: 25 years of service or age 50 with 20 years of service
	Fire: Age 50 with 20 years of service
	All others: Age 65 with 5 years of service
Benefit calculation	DPW: 2.25% times average annual compensation times years of credited service, up to a maximum of 30 years
	Police and Fire: 2.5% times average annual compensation times years of credited service, up to a maximum of 30 years
	BOE, Town Hall and Non-bargained Town Employees: 2.0% times average annual compensation times years of credited service, up to a maximum of 30 years
	Library: 2.5% times average annual compensation minus 0.65% of average annual compensation up to covered compensation times years of credited service, up to a maximum of 30 years
Average annual compensation	DPW, Fire and Town Employees: The highest 1 year average of the compensation rate in effect upon termination of the last 10 calendar years
	Police: The highest consecutive 3 year average of the January 1st compensation rates of the last 10 years. Upon attainment of age 55, the 1 year average of the rate of compensation at January 1st
	BOE and Library: The highest consecutive 3 year average of the January 1st compensation rates of the last 10 years
Early retirement age	55 (not applicable to police or fire)
Early retirement service requirement	15 years
Early retirement amount	Accrued benefit as of early retirement date subject to the applicable reduction factor

Town of New Canaan, Connecticut

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

A. Pension plan (continued)

Disability benefit	<p>DPW: 40% of average final compensation immediately prior to date of disability minus 40% of social security minus Workers' Compensation benefit if disablement occurs during first 5 years of employment</p> <p>Others: 50% of average annual compensation immediately prior to date of disability minus 50% of social security benefits minus Workers' Compensation benefit if disablement occurs during first 5 years of employment. There is no Social Security reduction for Police or Fire members. If disablement occurs after 5 years of service, there is no reduction for Workers' Compensation</p> <p>The sum of the disability, Workers' Compensation, and Social Security benefits cannot exceed compensation before the date of disability</p>
Vesting - age	None
Vesting - service	5 years
Vesting - amount	Vested portion of accrued benefit as of date of termination. Participant may elect to a return of employee contributions with credited interest and forfeit all vested benefits
Death benefit amount	<p>Excess of return of employee contributions with credited interest over special death benefit payable at participant's normal retirement date or first of month following date of death for all others</p> <p>Special Benefit: Surviving spouse or dependent's benefit is 50% (60% for Police or Fire, and 75% for Police or Fire retirees) of average annual compensation immediately prior to death</p>
Cost of living increases	Periodically granted
Plan closure	<p>The plan is closed to the following employees:</p> <p>DPW employees hired after July 1, 2010</p> <p>Non-bargained Town or BOE, Library and Town Hall union employees hired after January 1, 2011</p>

3. Contributions required (as a percentage of pensionable wages)

Police employees	2.5% (effective 7/1/2019); If hired after 5/1/2015 - 8.0%; 0% after completion of 30 years of service
Fire employees	2.5%; If hired after 7/1/2014 - 8.0%; 0% after completion of 30 years of service
DPW employees	3.25%; 0% after completion of 30 years of service
Town Hall union employees	3.5%
Education employees	4.0%; If hired after 1/1/2016 - 8.0%; 0% after completion of 30 years of service for union members
Library	2.0%
All other non-union Town employees	0.5%
Town	Amount determined by the actuary, considering the member contributions. The Town has a policy to pay at least the greater of: (a) 40% of the actuarially determined employer contributions ("ADEC") or (b) 80% of the prior year's actual contribution up to 100% of the ADEC

Town of New Canaan, Connecticut

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

A. Pension plan (continued)**4. Investments****a. Investment policy**

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance by a majority vote of its members. It is the policy of the Town's Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the Board's adopted asset allocation policy and long-term expected rate of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	42.00%	4.90%
International equity	23.00%	6.68%
U.S. bonds	<u>35.00%</u>	1.08%
Total	<u><u>100.00%</u></u>	
Inflation rate		<u>2.40%</u>
Long-term expected nominal return		<u><u>6.38%</u></u>

b. Concentrations

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

c. Long-term expected rate of return

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

d. Money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.13%.

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

Town of New Canaan, Connecticut

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

A. Pension plan (continued)**5. Net pension liability (asset)**

The components of the net pension liability (asset) were as follows:

Total pension liability	\$ 149,992,729
Plan fiduciary net position	<u>158,991,097</u>
Net pension liability (asset)	<u>\$ (8,998,368)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>106.00%</u>

6. Actuarial assumptions

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Investment rate of return	6.625%
Inflation	2.40%
Salary increases	0.00-4.20%
Cost of living adjustments	None
Mortality rates	Pub-2010, projected to the valuation date with Scale MP-2021

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2016 through July 1, 2021.

7. Changes from prior year**a. Changes in assumptions**

Changes in assumptions were as follows:

Town Plan	From	To
Investment rate of return	6.75%	6.625%
Inflation	2.50%	2.40%
Salary increases	0.00-7.00%	0.00-4.20%
Mortality rate	MP Scale-2020	MP Scale-2021

Town of New Canaan, Connecticut

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

A. Pension plan (continued)**b. Benefit changes**

There were no benefit changes during the year.

8. Discount rate

The discount rate used to measure the total pension liability was 6.625%.

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

9. Changes in the net pension asset

The Town's net pension asset was measured at June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation dated as noted below. The changes in net pension asset for the fiscal year were as follows:

Valuation Date: July 1, 2022	Increase (Decrease)		
Town Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2022	\$ 149,418,364	\$ 150,350,230	\$ (931,866)
Service cost	2,966,839	-	2,966,839
Interest	10,020,206	-	10,020,206
Differences between expected and actual experience	(2,103,003)	-	(2,103,003)
Changes in assumptions	(2,303,506)	-	(2,303,506)
Contributions - employer	-	1,090,794	(1,090,794)
Contributions - member	-	760,324	(760,324)
Net investment income	-	14,997,837	(14,997,837)
Benefit payments, including refunds of member contributions	(8,006,171)	(8,006,171)	-
Administrative expenses	-	(201,917)	201,917
Net change	574,365	8,640,867	(8,066,502)
Balance at June 30, 2023	\$ 149,992,729	\$ 158,991,097	\$ (8,998,368)

Town of New Canaan, Connecticut

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

A. Pension plan (continued)**10. Sensitivity of the net pension asset to changes in the discount rate**

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

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability (asset)	<u>6.625%</u>	<u>\$ 8,465,100</u>	<u>\$ (8,998,368)</u>	<u>\$ (23,712,129)</u>

11. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

The Town recognized pension expense of \$2,275,630. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ -	\$ 1,691,319	\$ (1,691,319)
Changes in assumptions	243,474	1,663,643	(1,420,169)
Net difference between projected and actual earnings on pension plan investments	<u>6,817,398</u>	<u>-</u>	<u>6,817,398</u>
Total	<u>\$ 7,060,872</u>	<u>\$ 3,354,962</u>	<u>\$ 3,705,910</u>

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive which was 3.6 years.

Actual investment earnings below (or above) projected earnings are amortized over the next 5 years.

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

<u>Year Ending June 30,</u>	
2024	\$ (293,669)
2025	(581,133)
2026	5,592,760
2027	<u>(1,012,048)</u>
Total	<u>\$ 3,705,910</u>

Town of New Canaan, Connecticut

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

B. Defined contribution retirement savings plan

Certain Town and Board of Education employees are eligible to participate in a defined contribution retirement savings plan administered by the Town known as the Town of New Canaan 401(a) plan. This is in lieu of the defined benefit plan for Town and Board of Education non-bargained employees hired after January 1, 2011 and for department of public works employees hired on or after July 1, 2010. The benefits and contribution requirements are established by approval of the Town Council. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employer contributions are based on union contracts. Employees may make additional contributions subject to IRS regulations. The Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion.

The Town matches public works and Town non-bargained employees' contributions up to 7.00% of base pay. The Town matches town hall union employees' contributions up to 6.00% of base pay. The Board of Education matches employees' contributions up to 5.00% of base pay. The Town contributions for each employee are 100% vested.

Voluntary contributions up to the amount allowable under IRS regulations may be made by employees to the Town's 457 plan. These contributions may be withdrawn at any time, although earned interest will not be paid until such time as benefits are otherwise payable to the employee.

During the year, the employer contributions were \$435,272 and employee contributions totaled \$1,351,455.

C. Connecticut state teachers' retirement system

1. Plan description

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

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service

Town of New Canaan, Connecticut

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

C. Connecticut state teachers' retirement system (continued)

Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

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

Town of New Canaan, Connecticut

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

C. Connecticut state teachers' retirement system (continued)

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

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

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>185,994,081</u>
Total	<u>\$ 185,994,081</u>
During the year, the Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 14,664,295</u>

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

5. Actuarial assumptions

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

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

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

Town of New Canaan, Connecticut

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

C. Connecticut state teachers' retirement system (continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

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

Long-term expected rate of return

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	2.00%	(0.40%)
Total	<u>100.00%</u>	

6. Discount rate

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

Town of New Canaan, Connecticut

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

C. Connecticut state teachers' retirement system (continued)**7. Sensitivity of the net pension liability to changes in the discount rate**

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

D. Other post-employment benefit plan**1. Plan description****a. Plan administration**

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

The Board of Finance serves as the OPEB board and has delegated certain administrative activities and oversight to the First Selectman.

b. Plan membership

As of July 1, 2022, the following employees are covered by the benefit terms:

Retirees and beneficiaries receiving benefits	122
Active members	<u>580</u>
Total	<u><u>702</u></u>

2. Benefit provisions

The plan provides for medical and dental benefits for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

Town of New Canaan, Connecticut

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

D. Other post-employment benefit plan (continued)**3. Contributions** (as a percentage of pensionable wages)

Contributions to the plan are established by contract and may be amended by union negotiations and are as follows:

Town non-bargained, police, fire and education employees	None required
DPW and town hall union employees	0.75%
Town	Actuarially determined on an annual basis using the entry age normal method.

Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement Plan. These teachers are required to contribute the cost of the insurance to the Town.

4. Investments**a. Investment policy**

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

The following was the Board's adopted asset allocation policy and long-term expected rate of return for the OPEB Plan:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	42.00%	4.90%
International equity	23.00%	6.68%
U.S. bonds	35.00%	1.08%
Total	<u>100.00%</u>	
Inflation rate		<u>2.40%</u>
Long-term expected nominal return		<u>6.38%</u>

b. Concentrations

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

Town of New Canaan, Connecticut

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

D. Other post-employment benefit plan (continued)

c. Long-term expected rate of return

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

d. Money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of investment expense was 10.69%.

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

5. OPEB liability

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

Total OPEB liability	\$ 23,904,570
Plan fiduciary net position	<u>19,389,044</u>
Net OPEB liability	<u>\$ 4,515,526</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>81.11%</u>

6. Actuarial methods and assumptions

Valuation date	July 1, 2022
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Discount rate	6.625%
Salary increases	0.00 - 6.50%
Healthcare cost trend rates:	
Inflation	2.40%
Initial medical trend rate	6.50%
Ultimate medical trend rate	4.50%
Mortality rates	Pub-2010, projected to the valuation date with Scale MP-2021

Actuarial assumptions are based on the results of an actuarial experience study for the period July 1, 2010 through July 1, 2015.

Town of New Canaan, Connecticut

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

D. Other post-employment benefit plan (continued)**7. Change from prior year****a. Changes in assumptions**

Change in assumptions were as follows:

Town Plan	From	To
Investment rate of return	6.75%	6.625%
Inflation	2.50%	2.40%
Salary increases	0.00-7.00%	0.00-6.50%
Mortality rate	MP Scale-2020	MP Scale-2021

b. Benefit changes

There were no changes in benefits from the previous measurement date.

8. Discount rate

The discount rate used to measure the total OPEB liability was 6.625%. 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 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 New Canaan, Connecticut

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

D. Other post-employment benefit plan (continued)**9. Changes in the OPEB liability**

The Town's OPEB liability was measured at June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated as noted below:

<u>Valuation Date: July 1, 2022</u>	<u>Increase (Decrease)</u>		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 25,278,971	\$17,474,382	\$ 7,804,589
Service cost	856,292	-	856,292
Interest	1,689,909	-	1,689,909
Differences between expected and actual experience	(863,875)	-	(863,875)
Changes in assumptions	(821,048)	-	(821,048)
Contributions - employer	-	2,124,640	(2,124,640)
Contributions - member	-	44,892	(44,892)
Contributions - TRB subsidy	-	111,039	(111,039)
Net investment income	-	1,869,770	(1,869,770)
Benefit payments, including refunds of member contributions	(2,235,679)	(2,235,679)	-
Net change	(1,374,401)	1,914,662	(3,289,063)
Balance at June 30, 2023	<u>\$ 23,904,570</u>	<u>\$19,389,044</u>	<u>\$ 4,515,526</u>

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

The following presents the OPEB liability, as well as what the 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:

	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>6.625%</u>	<u>\$ 7,220,985</u>	<u>\$ 4,515,526</u>	<u>\$ 2,205,141</u>

Town of New Canaan, Connecticut

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

D. Other post-employment benefit plan (continued)**11. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate**

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	<u>Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>4.50-6.50%</u>	<u>\$ 1,760,021</u>	<u>\$ 4,515,526</u>	<u>\$ 7,862,844</u>

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

For the fiscal year the Town recognized OPEB expense of \$698,552. The Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 1,356,068	\$ 6,376,628	\$ (5,020,560)
Changes in assumptions	1,172,651	751,468	421,183
Net difference between projected and actual earnings on OPEB plan investments	<u>769,623</u>	<u>-</u>	<u>769,623</u>
Total	<u>\$ 3,298,342</u>	<u>\$ 7,128,096</u>	<u>\$ (3,829,754)</u>

Changes in assumptions and differences between expected and actual experience are amortized over 11.8 years. Differences between projected and actual earnings are amortized over 5 years.

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

<u>Year Ending June 30,</u>	
2024	\$ (519,718)
2025	(546,553)
2026	90,542
2027	(756,204)
2028	(618,452)
Thereafter	<u>(1,479,369)</u>
Total	<u>\$ (3,829,754)</u>

Town of New Canaan, Connecticut

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

E. Connecticut state teachers’ retirement board retiree health insurance plan

1. Plan description

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

2. Benefit provisions

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

Retiree health care coverage

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost.

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

Town of New Canaan, Connecticut

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

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

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

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

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

3. Contributions**State of Connecticut**

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

Employer (school districts)

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

Employees

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

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

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

Town's proportionate share of the net collective OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	16,288,816
Total	<u>\$ 16,288,816</u>
During the year, the Town recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 207,411</u>

Town of New Canaan, Connecticut

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

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

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

5. Actuarial assumptions

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

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

Town of New Canaan, Connecticut

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

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

The discount rate used to measure the total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

F. Plan statements

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

	Defined Benefit Pension Trust	Other Post Employment Benefits Trust Fund	Total
<u>Assets</u>			
Investments:			
Mutual funds:			
U.S. equity	\$ 69,631,219	\$ 8,215,481	\$ 77,846,700
International equity	36,212,797	4,387,703	40,600,500
Bond	53,147,081	6,785,860	59,932,941
Total assets	<u>158,991,097</u>	<u>19,389,044</u>	<u>178,380,141</u>
<u>Net Position</u>			
Restricted for:			
Pensions	158,991,097	-	158,991,097
OPEB	-	19,389,044	19,389,044
Total net position	<u>\$ 158,991,097</u>	<u>\$ 19,389,044</u>	<u>\$ 178,380,141</u>

Town of New Canaan, Connecticut

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

F. Plan statements (continued)

Combining Statement of Changes In Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2023

	Defined Benefit Pension Trust	Other Post Employment Benefits Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 1,090,794	\$ 2,124,640	\$ 3,215,434
Plan members	760,324	44,892	805,216
Teachers' retirement system	-	111,039	111,039
	<u> </u>	<u> </u>	<u> </u>
Total contributions	1,851,118	2,280,571	4,131,689
	<u> </u>	<u> </u>	<u> </u>
Investment income (loss):			
Change in fair value of investments	11,472,781	1,456,957	12,929,738
Interest and dividends	3,636,415	422,562	4,058,977
	<u> </u>	<u> </u>	<u> </u>
Total investment income (loss)	15,109,196	1,879,519	16,988,715
	<u> </u>	<u> </u>	<u> </u>
Less investment expenses	111,359	9,749	121,108
	<u> </u>	<u> </u>	<u> </u>
Net investment income (loss)	14,997,837	1,869,770	16,867,607
	<u> </u>	<u> </u>	<u> </u>
Total additions	16,848,955	4,150,341	20,999,296
	<u> </u>	<u> </u>	<u> </u>
Deductions:			
Benefits	8,006,171	2,235,679	10,241,850
Administration	201,917	-	201,917
	<u> </u>	<u> </u>	<u> </u>
Total deductions	8,208,088	2,235,679	10,443,767
	<u> </u>	<u> </u>	<u> </u>
Change in net position	8,640,867	1,914,662	10,555,529
	<u> </u>	<u> </u>	<u> </u>
Net position - July 1, 2022	150,350,230	17,474,382	167,824,612
	<u> </u>	<u> </u>	<u> </u>
Net position - June 30, 2023	<u>\$ 158,991,097</u>	<u>\$ 19,389,044</u>	<u>\$ 178,380,141</u>

Town of New Canaan, Connecticut

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

VI. Restatements for adoption of GASB Statement No. 96

As a result of the implementation of GASB Statement No. 96 intangible right-to-use subscription assets and subscription liability were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 178,655
Long-term liabilities:	
Subscription liability	178,655

Required Supplementary Information

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

Town of New Canaan, Connecticut
General Fund
Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Revenues					
Tax - current year					
Tax collections	\$ 144,239,893	\$ -	\$ 144,239,893	\$ 145,895,095	\$ 1,655,202
Tax - other than levy					
Tax collections - prior years	300,000	-	300,000	516,013	216,013
Lien fees and interest	250,000	-	250,000	431,940	181,940
Total tax-other than levy	550,000	-	550,000	947,953	397,953
Intergovernmental					
Excess cost grant	1,096,032	-	1,096,032	793,339	(302,693)
CT Judicial revenue distribution	10,000	-	10,000	24,013	14,013
Educational cost sharing grant	407,264	-	407,264	514,483	107,219
School health and welfare	15,496	-	15,496	16,400	904
Other state grants	20,000	-	20,000	65,110	45,110
State grants - police	-	-	-	1,998	1,998
State property tax reimbursement	101,728	-	101,728	101,728	-
Elderly tax exemption	-	-	-	116	116
Veterans exemption	-	-	-	882	882
Municipal revenue sharing	-	-	-	178,613	178,613
FEMA reimbursement	-	-	-	477,329	477,329
COVID state reimbursement	-	-	-	8,452	8,452
Total intergovernmental	1,650,520	-	1,650,520	2,182,463	531,943
Charges for services					
Fees and charges for services					
Concessions and commissions	6,000	-	6,000	1,156	(4,844)
Conveyance fees	2,000,000	-	2,000,000	1,664,869	(335,131)
Dog park fees	15,000	-	15,000	5,069	(9,931)
Fingerprint fees	8,000	-	8,000	7,650	(350)
Flu clinics	8,000	-	8,000	4,650	(3,350)
Inland wetland application/violation fees	30,000	-	30,000	32,632	2,632
Marriage license fees	1,200	-	1,200	920	(280)
MERS fees	50,000	-	50,000	27,359	(22,641)
Miscellaneous income - finance	-	-	-	193,653	193,653
Miscellaneous income - town clerk	1,000	-	1,000	1,572	572
Notary fees	700	-	700	490	(210)
Other classes and programs offset	580,000	-	580,000	650,444	70,444
Park and recreation fees	150,000	-	150,000	27,192	(122,808)
Planning and zoning application fees	10,000	-	10,000	17,400	7,400
Recording fees	75,000	-	75,000	59,581	(15,419)
Senior citizens program	95,000	-	95,000	68,117	(26,883)
State telephone line grant	67,513	-	67,513	55,882	(11,631)
Trade names	700	-	700	620	(80)
Transfer station dump fees	80,000	-	80,000	82,302	2,302
Transfer station recycling	35,000	-	35,000	43,953	8,953
Transfer station sticker fees	150,000	-	150,000	155,392	5,392
Transfer station tipping fees	425,000	-	425,000	415,694	(9,306)
Vital statistics fees	22,000	-	22,000	23,045	1,045
Storm sewer connection fees	1,500	-	1,500	750	(750)
Drainage review	3,000	-	3,000	9,500	6,500
Zoning board of appeals fees	3,000	-	3,000	5,100	2,100
Facilities rental fund	10,000	-	10,000	10,000	-
Total fees and charges for services	3,827,613	-	3,827,613	3,564,992	(262,621)

(Continued)

See Notes to Required Supplementary Information.

Town of New Canaan, Connecticut

General Fund
Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Licenses and permits					
Amusement permits	\$ 150	\$ -	\$ 150	\$ 355	\$ 205
Barbers and salons	4,000	-	4,000	4,075	75
Building permits	850,000	-	850,000	947,742	97,742
Dog license clerk fees	3,000	-	3,000	2,795	(205)
Driveway permits	1,000	-	1,000	2,150	1,150
Liquor licenses	400	-	400	460	60
Pistol permits	10,000	-	10,000	4,340	(5,660)
Plan review	60,000	-	60,000	57,600	(2,400)
Refuse and septic inspections	4,200	-	4,200	5,100	900
Restaurant permits	35,000	-	35,000	37,725	2,725
Sales of codes and regulations	5,200	-	5,200	4,220	(980)
Septic permits	45,000	-	45,000	43,450	(1,550)
Sign permits	-	-	-	2,000	2,000
Street opening permits	25,000	-	25,000	12,264	(12,736)
Well permits	5,000	-	5,000	11,800	6,800
Zoning permits	60,000	-	60,000	90,315	30,315
Total licenses and permits	1,107,950	-	1,107,950	1,226,391	118,441
Fines and forfeitures					
False alarm fines	28,000	-	28,000	19,500	(8,500)
Parking tickets	200,000	-	200,000	166,006	(33,994)
Total fines and forfeitures	228,000	-	228,000	185,506	(42,494)
Use of money and property					
Copier revenue - finance	8,000	-	8,000	2,024	(5,976)
Copier revenue - police	1,000	-	1,000	1,795	795
Copier revenue - town clerk	10,000	-	10,000	10,526	526
Paddle tennis fees	78,000	-	78,000	63,540	(14,460)
Parking - box car	15,000	-	15,000	32,573	17,573
Parking meters	190,000	-	190,000	247,801	57,801
Parking permit waiting fees	3,000	-	3,000	916	(2,084)
Parking permits	480,000	-	480,000	330,491	(149,509)
Parking - day passes	2,000	-	2,000	3,642	1,642
Rental of property - finance	200,000	-	200,000	61,153	(138,847)
Rental of property - recreation	10,000	-	10,000	10,486	486
Rental of property - Waveny	110,000	-	110,000	107,698	(2,302)
Waveny custodial fees	4,500	-	4,500	1,125	(3,375)
Total use of money and property	1,111,500	-	1,111,500	873,770	(237,730)
Reimbursements and refunds					
DEEP administration cost revenue	800	-	800	728	(72)
Solar energy credits	-	-	-	25,949	25,949
Member equity	-	-	-	121,560	121,560
NSF fees	100	-	100	200	100
Workers compensation offset	60,000	-	60,000	60,053	53
Total reimbursements and refunds	60,900	-	60,900	208,490	147,590
Total charges for services	6,335,963	-	6,335,963	6,059,149	(276,814)

(Continued)

See Notes to Required Supplementary Information.

Town of New Canaan, Connecticut

General Fund
Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Income from investments					
Interest on investments	\$ 500,000	\$ -	\$ 500,000	\$ 1,363,390	\$ 863,390
Net change in fair value	-	-	-	(2,390)	(2,390)
Total income from investments	500,000	-	500,000	1,361,000	861,000
Total revenues	153,276,376	-	153,276,376	156,445,660	3,169,284
Other financing sources					
Sale of capital assets	15,000	-	15,000	69,490	54,490
Transfers in	2,792,619	-	2,792,619	2,914,015	121,396
Appropriation of fund balance	5,500,000	-	5,500,000	-	(5,500,000)
Total other financing sources	8,307,619	-	8,307,619	2,983,505	(5,324,114)
Total revenues and other financing sources	161,583,995	-	161,583,995	159,429,165	(2,154,830)
<u>Expenditures</u>					
General government					
First selectman	605,578	(6,857)	598,721	598,721	-
Finance	1,076,394	6,924	1,083,318	1,080,818	2,500
Tax assessor	350,032	(10,179)	339,853	339,853	-
Tax collector	253,693	(3,691)	250,002	250,002	-
Legal	250,000	219,102	469,102	469,102	-
Human resources	413,840	12,430	426,270	426,270	-
Information technology	424,682	120,974	545,656	545,656	-
Town clerk	448,610	(42,653)	405,957	405,957	-
Registrar of voters	174,195	33,452	207,647	207,647	-
Conservation commission	24,000	-	24,000	24,000	-
Health and security benefits and OPEB	7,718,978	(37,258)	7,681,720	7,681,720	-
Insurance liability	1,553,940	(129,691)	1,424,249	1,424,249	-
Salary offsets	(87,844)	148,806	60,962	60,962	-
Parking	373,008	(22,684)	350,324	350,324	-
Total general government	13,579,106	288,675	13,867,781	13,865,281	2,500
Public safety and protection					
Police	6,859,777	366,051	7,225,828	7,225,828	-
Land use	1,221,326	(53,588)	1,167,738	1,167,738	-
Health	514,899	68,747	583,646	583,646	-
Fire	4,283,917	(197,654)	4,086,263	4,086,263	-
Ambulance corps	567,168	(10,311)	556,857	556,857	-
Animal control	110,408	2,774	113,182	113,182	-
Emergency management	77,997	108,509	186,506	186,506	-
Total public safety and protection	13,635,492	284,528	13,920,020	13,920,020	-

(Continued)

See Notes to Required Supplementary Information.

Town of New Canaan, Connecticut

General Fund
Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Public works					
Public works administration	\$ 320,376	\$ 13,750	\$ 334,126	\$ 334,126	\$ -
Highway	3,379,803	69,385	3,449,188	3,449,188	-
Engineering	360,319	8,600	368,919	368,919	-
Town buildings	1,223,885	103,326	1,327,211	1,327,211	-
Utilities	536,296	(11,807)	524,489	524,489	-
Transfer station	1,703,000	(97,532)	1,605,468	1,605,468	-
Parks	2,087,048	(17,697)	2,069,351	2,069,351	-
Town hall annex	-	145	145	145	-
Nature center	75,234	(9,559)	65,675	65,675	-
Tree warden	539,413	(36,590)	502,823	502,823	-
Total public works	10,225,374	22,021	10,247,395	10,247,395	-
Human services					
Administration	467,536	(30,977)	436,559	436,559	-
Recreation					
Recreation administration	1,369,042	(239,279)	1,129,763	1,129,763	-
Civic activity	25,500	7,260	32,760	32,760	-
Waveny	162,712	28,979	191,691	191,691	-
Paddle tennis	44,042	11,182	55,224	55,224	-
Waveny park buildings	227,193	8,930	236,123	236,123	-
Lapham center	327,311	(8,696)	318,615	318,615	-
Kiwanis park	65,449	(1,089)	64,360	64,360	-
Total recreation	2,221,249	(192,713)	2,028,536	2,028,536	-
Education	99,052,999	-	99,052,999	98,471,398	581,601
Library	2,562,818	-	2,562,818	2,562,818	-
Other agencies					
Health/welfare	271,000	(18,843)	252,157	252,157	-
Day care center	32,000	-	32,000	32,000	-
New Canaan historical society	25,000	-	25,000	25,000	-
Trans private schools	280,000	(53,400)	226,600	226,600	-
Channel 79 TV	38,197	-	38,197	38,197	-
Probate court	12,000	(6,577)	5,423	5,423	-
Total other agencies	658,197	(78,820)	579,377	579,377	-
Human services agencies					
Getabout	46,000	-	46,000	46,000	-
Kids in crisis	85,000	-	85,000	85,000	-
New Canaan cares	18,000	-	18,000	18,000	-
Child guidance center	5,000	-	5,000	5,000	-
Domestic violence crisis center	5,000	-	5,000	5,000	-
Meals on wheels	5,000	-	5,000	5,000	-
Community program mental wellness	10,000	(4,700)	5,300	5,300	-
Total human services agencies	174,000	(4,700)	169,300	169,300	-

(Continued)

See Notes to Required Supplementary Information.

Town of New Canaan, Connecticut

General Fund
Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Contingency	\$ 436,644	\$ (149,657)	\$ 286,987	\$ -	\$ 286,987
Debt service	18,338,580	(226,863)	18,111,717	18,111,717	-
Total expenditures	161,351,995	(88,506)	161,263,489	160,392,401	871,088
Other financing uses					
Transfers out					
Capital projects funds	232,000	88,506	320,506	320,506	-
Total expenditures and other financing uses	161,583,995	-	161,583,995	160,712,907	871,088
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ -	\$ (1,283,742)	\$ (1,283,742)

(Concluded)

Town of New Canaan, Connecticut

Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements: Formal budgetary integration is employed as a management control device during the year.

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

1. The Town does not recognize as revenue or expenditures payments made for the State Teachers pension and OPEB by the State of Connecticut on the Town's behalf.
2. Encumbrances are reported as expenditures for the budgetary basis of accounting.
3. Certain funds that are required to be reported as part of the general fund under the requirement of GASB No. 54.

Reconciliation to Exhibit D	Revenues	Expenditures
Budgetary basis - RSI 1A	\$ 156,445,660	\$ 160,392,401
State teachers' retirement on behalf amount	14,664,295	14,664,295
State teachers' OPEB on behalf amount	207,411	207,411
Current year encumbrances charged to budgetary expenditures	-	(342,101)
Prior year encumbrances liquidated in the current year	-	558,357
Other funds (Schedule 2)	24,541	38,035
GAAP basis - Exhibit D	\$ 171,341,907	\$ 175,518,398

Requests for annual appropriations, except for the Board of Education, are submitted not later than the third Tuesday preceding the first Tuesday in February to the Selectmen. The Selectmen shall compile a recommended budget which shall be submitted to the Board of Finance for its consideration not later than the first Tuesday of February in each year.

The Board of Education submits its preliminary budget estimates to the Board of Selectmen, not later than the third Tuesday preceding the first Tuesday in February, and compiles and submits its recommended budget, directly to the Board of Finance, not later than the first Tuesday in February in each year.

Requests for capital expenditures are submitted to the Selectmen. The Selectmen shall submit to the Board of Finance, not later than two weeks after the first Tuesday of February, a recommended budget of such capital expenditures.

The Board of Finance shall prepare tentative budget recommendations and hold a public hearing which shall be held not later than the sixth Tuesday following the first Tuesday of February.

After the public hearing, the Board of Finance prepares and presents its recommendations to the Board of Selectmen, for submission to the Town Council.

The recommendations for appropriations prepared by the Board of Finance are delivered to the Selectmen not later than the seventh Tuesday following the first Tuesday of February.

The Town Council may approve, disapprove or reduce, but may not increase the amount of the appropriations.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

Whenever the Board of Selectmen or the First Selectman requests a special appropriation, the Board of Finance shall deliver a recommendation to the Selectmen and the Selectmen shall present the recommendation to a meeting of the Town Council.

The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another, with the exception of the wage contingency account.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion.

There were no additional appropriations during the year.

Town of New Canaan, Connecticut

Required Supplementary Information
Town Retirement Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability										
Service cost	\$ 2,966,839	\$ 2,852,729	\$ 2,960,340	\$ 2,846,481	\$ 2,939,320	\$ 2,826,270	\$ 2,935,269	\$ 2,695,932	\$ 2,592,242	\$ 2,868,110
Interest	10,020,206	9,682,995	9,314,956	8,965,021	8,740,902	8,398,655	7,717,704	7,504,642	7,352,135	7,073,402
Effect of plan changes	-	-	-	-	-	-	-	506,821	194,578	-
Differences between expected and actual experience	(2,103,003)	-	(1,034,903)	-	(1,447,770)	-	22,864	-	(2,254,962)	-
Changes in assumptions	(2,303,506)	-	1,460,853	-	(416,242)	-	1,230,675	(1,769,003)	-	-
Benefit payments, including refunds of member contributions	(8,006,171)	(7,313,425)	(6,974,503)	(6,515,276)	(6,294,510)	(6,241,651)	(5,979,940)	(5,822,206)	(5,466,241)	(5,291,409)
Net change in total pension liability	574,365	5,222,299	5,726,743	5,296,226	3,521,700	4,983,274	5,926,572	3,116,186	2,417,752	4,650,103
Total pension liability - July 1	149,418,364	144,196,065	138,469,322	133,173,096	129,651,396	124,668,122	118,741,550	115,625,364	113,207,612	108,557,509
Total pension liability - June 30 (a)	<u>\$ 149,992,729</u>	<u>\$ 149,418,364</u>	<u>\$ 144,196,065</u>	<u>\$ 138,469,322</u>	<u>\$ 133,173,096</u>	<u>\$ 129,651,396</u>	<u>\$ 124,668,122</u>	<u>\$ 118,741,550</u>	<u>\$ 115,625,364</u>	<u>\$ 113,207,612</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,090,794	\$ 1,647,180	\$ 1,543,662	\$ 1,446,047	\$ 1,319,772	\$ 1,220,851	\$ 867,862	\$ 781,558	\$ 1,044,321	\$ 1,000,000
Contributions - member	760,324	681,824	671,072	644,825	605,533	580,656	524,182	420,349	321,443	282,464
Net investment income (loss)	14,997,837	(24,694,537)	38,193,940	8,415,000	9,064,783	9,713,540	13,373,989	1,939,230	3,599,333	18,155,372
Benefit payments, including refunds of member contributions	(8,006,171)	(7,313,425)	(6,974,502)	(6,515,276)	(6,294,510)	(6,241,651)	(5,979,940)	(5,822,206)	(5,466,241)	(5,291,409)
Administration	(201,917)	(74,336)	(147,591)	(101,921)	(145,730)	(24,235)	(87,966)	(91,972)	(107,428)	(104,582)
Net change in plan fiduciary net position	8,640,867	(29,753,294)	33,286,581	3,888,675	4,549,848	5,249,161	8,698,127	(2,773,041)	(608,572)	14,041,845
Plan fiduciary net position - July 1	150,350,230	180,103,524	146,816,943	142,928,268	138,378,420	133,129,259	124,431,132	127,204,173	127,812,745	113,770,900
Plan fiduciary net position - June 30 (b)	<u>\$ 158,991,097</u>	<u>\$ 150,350,230</u>	<u>\$ 180,103,524</u>	<u>\$ 146,816,943</u>	<u>\$ 142,928,268</u>	<u>\$ 138,378,420</u>	<u>\$ 133,129,259</u>	<u>\$ 124,431,132</u>	<u>\$ 127,204,173</u>	<u>\$ 127,812,745</u>
Net pension asset - June 30 (a)-(b)	<u>\$ (8,998,368)</u>	<u>\$ (931,866)</u>	<u>\$ (35,907,459)</u>	<u>\$ (8,347,621)</u>	<u>\$ (9,755,172)</u>	<u>\$ (8,727,024)</u>	<u>\$ (8,461,137)</u>	<u>\$ (5,689,582)</u>	<u>\$ (11,578,809)</u>	<u>\$ (14,605,133)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>106.00%</u>	<u>100.62%</u>	<u>124.90%</u>	<u>106.03%</u>	<u>107.33%</u>	<u>106.73%</u>	<u>106.79%</u>	<u>104.79%</u>	<u>110.01%</u>	<u>112.90%</u>
Covered payroll	<u>\$ 20,352,034</u>	<u>\$ 21,646,563</u>	<u>\$ 20,814,003</u>	<u>\$ 21,313,604</u>	<u>\$ 20,493,850</u>	<u>\$ 22,141,000</u>	<u>\$ 21,289,231</u>	<u>\$ 22,449,000</u>	<u>\$ 21,585,538</u>	<u>\$ 24,137,000</u>
Net pension asset as a percentage of covered payroll	<u>(44.21%)</u>	<u>(4.30%)</u>	<u>(172.52%)</u>	<u>(39.17%)</u>	<u>(47.60%)</u>	<u>(39.42%)</u>	<u>(39.74%)</u>	<u>(25.34%)</u>	<u>(53.64%)</u>	<u>(60.51%)</u>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>10.13%</u>	<u>(13.84%)</u>	<u>26.25%</u>	<u>5.95%</u>	<u>6.60%</u>	<u>7.43%</u>	<u>10.90%</u>	<u>1.55%</u>	<u>2.85%</u>	<u>16.16%</u>

N/A - not available

See Notes to Required Supplementary Information.

Town of New Canaan, Connecticut

Required Supplementary Information
Town Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,090,794	\$ 1,647,180	\$ 1,543,662	\$ 1,446,047	\$ 1,319,772	\$ 1,220,851	\$ 867,862	\$ 781,558	\$ 2,610,790	\$ 2,515,090
Contributions in relation to the actuarially determined contribution	<u>1,090,794</u>	<u>1,647,180</u>	<u>1,543,662</u>	<u>1,446,047</u>	<u>1,319,772</u>	<u>1,220,851</u>	<u>867,862</u>	<u>781,558</u>	<u>1,044,321</u>	<u>1,000,000</u>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,566,469)</u>	<u>\$ (1,515,090)</u>
Covered payroll	<u>\$ 20,352,034</u>	<u>\$ 21,646,563</u>	<u>\$ 20,814,003</u>	<u>\$ 21,313,604</u>	<u>\$ 20,493,850</u>	<u>\$ 22,141,000</u>	<u>\$ 21,289,231</u>	<u>\$ 22,449,000</u>	<u>\$ 21,585,538</u>	<u>\$ 24,137,000</u>
Contributions as a percentage of covered payroll	<u>5.36%</u>	<u>7.61%</u>	<u>7.42%</u>	<u>6.78%</u>	<u>6.44%</u>	<u>5.51%</u>	<u>4.08%</u>	<u>3.48%</u>	<u>4.84%</u>	<u>4.14%</u>

Town of New Canaan, Connecticut
Notes to Required Supplementary Information
Town Retirement Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2021	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2015	July 1, 2013	July 1, 2013
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis	Level percent of salary. Amortized over 15 years on an open basis
Asset valuation method	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year	5-year smoothing period; recognized 20% per year
Inflation rate	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	1.25%	1.25%
Salary increases	0.00% - 7.00%	0.00% - 7.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return (net)	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%	7.00%
Mortality rate	Pub-2010 projected to the valuation date with Scale MP-2020	Pub-2010 projected to the valuation date with Scale MP-2020	RP-2014 projected to the valuation date with Scale MP-2018	RP-2014 projected to the valuation date with Scale MP-2018	RP-2014 projected to the valuation date with Scale MP-2016	RP-2014 projected to the valuation date with Scale MP-2016	RP-2000 fully projected with separate male and female tables	RP-2000 fully projected with separate male and female tables	RP-2000 fully projected with separate male and female tables	RP-2000 fully projected with separate male and female tables

Town of New Canaan, Connecticut
Required Supplementary Information
Connecticut State Teachers' Retirement System
Last Nine Years (3)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
Town's proportion of the collective net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	<u>185,994,081</u>	<u>151,798,901</u>	<u>191,663,228</u>	<u>173,702,347</u>	<u>133,934,601</u>	<u>131,580,108</u>	<u>138,818,045</u>	<u>107,096,225</u>	<u>98,988,998</u>
Total	<u>\$ 185,994,081</u>	<u>\$ 151,798,901</u>	<u>\$ 191,663,228</u>	<u>\$ 173,702,347</u>	<u>\$ 133,934,601</u>	<u>\$ 131,580,108</u>	<u>\$ 138,818,045</u>	<u>\$ 107,096,225</u>	<u>\$ 98,988,998</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total pension liability	<u>54.06%</u>	<u>60.77%</u>	<u>49.24%</u>	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
<u>Schedule of Contributions</u>									
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Notes:

- (1) Local employers are not required to contribute to the plan.
- (2) Not applicable since 0% proportionate share of the collective net pension liability.
- (3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

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

Town of New Canaan, Connecticut

**Required Supplementary Information
Other Post-Employment Benefit (OPEB) Plan
Last Seven Years (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Changes in Net OPEB Liability and Related Ratios							
Total OPEB liability							
Service cost	\$ 856,292	\$ 831,351	\$ 872,802	\$ 849,438	\$ 850,205	\$ 823,444	\$ 797,524
Interest	1,689,909	1,589,686	1,599,474	1,528,559	1,902,210	1,812,172	1,719,592
Changes of benefit terms	-	-	(16,306)	-	-	-	-
Differences between expected and actual experience	(863,875)	1,455,692	(1,686,602)	209,364	(7,361,894)	(144,196)	70,970
Changes in assumptions	(821,048)	-	1,320,224	-	327,337	-	-
Benefit payments, including refunds of member contributions	(2,235,679)	(2,592,311)	(1,806,823)	(1,321,355)	(1,186,152)	(1,182,487)	(1,300,481)
Net Change in total OPEB liability	(1,374,401)	1,284,418	282,769	1,266,006	(5,468,294)	1,308,933	1,287,605
OPEB liability - July 1	25,278,971	23,994,553	23,711,784	22,445,778	27,914,072	26,605,139	25,317,534
OPEB liability - June 30 (a)	<u>\$ 23,904,570</u>	<u>\$ 25,278,971</u>	<u>\$ 23,994,553</u>	<u>\$ 23,711,784</u>	<u>\$ 22,445,778</u>	<u>\$ 27,914,072</u>	<u>\$ 26,605,139</u>
Plan fiduciary net position							
Contributions - employer	\$ 2,124,640	\$ 2,798,140	\$ 2,143,236	\$ 1,676,872	\$ 1,589,891	\$ 1,575,960	\$ 1,740,902
Contributions - member	44,892	41,401	41,215	40,233	39,351	37,581	36,375
Contributions - TRB subsidy	111,039	74,152	82,670	84,483	96,261	106,527	59,579
Net investment income (loss)	1,869,770	(2,879,729)	4,165,635	871,270	881,937	864,143	1,103,293
Benefit payments, including refunds of member contributions	(2,235,679)	(2,592,311)	(1,806,823)	(1,321,355)	(1,186,152)	(1,182,487)	(1,300,481)
Administration	-	(547)	(18,582)	(584)	(12,584)	(584)	(18,000)
Net change in plan fiduciary net position	1,914,662	(2,558,894)	4,607,351	1,350,919	1,408,704	1,401,140	1,621,668
Plan fiduciary net position - July 1	17,474,382	20,033,276	15,425,925	14,075,006	12,666,302	11,265,162	9,643,494
Plan fiduciary net position - June 30 (b)	<u>19,389,044</u>	<u>17,474,382</u>	<u>20,033,276</u>	<u>15,425,925</u>	<u>14,075,006</u>	<u>12,666,302</u>	<u>11,265,162</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 4,515,526</u>	<u>\$ 7,804,589</u>	<u>\$ 3,961,277</u>	<u>\$ 8,285,859</u>	<u>\$ 8,370,772</u>	<u>\$ 15,247,770</u>	<u>\$ 15,339,977</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>81.11%</u>	<u>69.13%</u>	<u>83.49%</u>	<u>65.06%</u>	<u>62.71%</u>	<u>45.38%</u>	<u>42.34%</u>
Covered payroll	<u>\$ 60,094,526</u>	<u>\$ 61,216,147</u>	<u>\$ 59,433,152</u>	<u>\$ 59,496,547</u>	<u>\$ 57,623,774</u>	<u>\$ 54,352,121</u>	<u>\$ 52,641,279</u>
Net OPEB liability as a percentage of covered payroll	<u>7.51%</u>	<u>12.75%</u>	<u>6.67%</u>	<u>13.93%</u>	<u>14.53%</u>	<u>28.05%</u>	<u>29.14%</u>
Schedule of Investment Returns							
Annual money weighted rate of return, net of investment expense	<u>10.69%</u>	<u>(14.18%)</u>	<u>26.33%</u>	<u>6.01%</u>	<u>6.71%</u>	<u>7.36%</u>	<u>10.91%</u>

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,174,414	\$ 1,463,375	\$ 1,585,823	\$ 1,558,637	\$ 2,062,462	\$ 2,035,960	\$ 2,578,301	\$ 2,505,269	\$ 2,744,420	\$ 2,666,479
Contributions in relation to the actuarially determined contribution	<u>2,124,640</u>	<u>2,798,140</u>	<u>2,143,236</u>	<u>1,676,872</u>	<u>1,589,891</u>	<u>1,575,960</u>	<u>1,740,902</u>	<u>1,357,099</u>	<u>1,599,484</u>	<u>1,766,512</u>
Contribution excess (deficiency)	<u>\$ 950,226</u>	<u>\$ 1,334,765</u>	<u>\$ 557,413</u>	<u>\$ 118,235</u>	<u>\$ (472,571)</u>	<u>\$ (460,000)</u>	<u>\$ (837,399)</u>	<u>\$ (1,148,170)</u>	<u>\$ (1,144,936)</u>	<u>\$ (899,967)</u>
Covered payroll	<u>\$ 60,094,526</u>	<u>\$ 61,216,147</u>	<u>\$ 59,433,152</u>	<u>\$ 59,496,547</u>	<u>\$ 57,623,774</u>	<u>\$ 54,352,121</u>	<u>\$ 52,641,279</u>	<u>\$ 52,427,000</u>	<u>\$ 52,427,000</u>	<u>\$ 50,969,000</u>
Contributions as a percentage of covered payroll	<u>3.54%</u>	<u>4.57%</u>	<u>3.61%</u>	<u>2.82%</u>	<u>2.76%</u>	<u>2.90%</u>	<u>3.31%</u>	<u>2.59%</u>	<u>3.05%</u>	<u>3.47%</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2020	July 1, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level dollar	Level dollar	Level dollar	Level dollar
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	N/A	N/A	N/A	N/A
Healthcare inflation rate - initial	6.50%	6.50%	7.25%	7.25%	7.75%	7.75%	N/A	N/A	N/A	N/A
Healthcare inflation rate - ultimate	4.50%	4.50%	4.75%	4.75%	7.75%	7.75%	N/A	N/A	N/A	N/A
Salary increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	N/A	N/A	N/A	N/A
Investment rate of return (net)	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%	7.00%
Mortality rate	PUB-2010 projected to the valuation date with Scale MP-2020 for projections for the current year.	PUB-2010 projected to the valuation date with Scale MP-2020 for projections for the current year.	RP-2014 projected to the valuation date with Scale MP-2018 for projections for the current year.	RP-2014 projected to the valuation date with Scale MP-2018 for projections for the current year.	RP-2014 projected to the valuation date with Scale MP-2016 for projections for the current year.	RP-2014 projected to the valuation date with Scale MP-2016 for projections for the current year.	RP-2000 Mortality table, projected to the valuation date with Scale AA or as used in the Connecticut State Teachers' Retirement System 2010 OPEB valuation.	RP-2000 Mortality table, projected to the valuation date with Scale AA or as used in the Connecticut State Teachers' Retirement System 2010 OPEB valuation.	RP-2000 Mortality table, projected to the valuation date with Scale AA or as used in the Connecticut State Teachers' Retirement System 2010 OPEB valuation.	RP-2000 Mortality table, projected to the valuation date with Scale AA or as used in the Connecticut State Teachers' Retirement System 2010 OPEB valuation.

N/A - Not available

Town of New Canaan, Connecticut

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>						
Town's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>16,288,816</u>	<u>16,538,212</u>	<u>28,586,577</u>	<u>27,089,860</u>	<u>26,774,353</u>	<u>33,867,227</u>
Total	<u>\$ 16,288,816</u>	<u>\$ 16,538,212</u>	<u>\$ 28,586,577</u>	<u>\$ 27,089,860</u>	<u>\$26,774,353</u>	<u>\$33,867,227</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>						
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

Town of New Canaan, Connecticut

Notes to Required Supplementary Information
 Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
 Schedule of Contributions
 Last Six Years (1)

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

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

APPENDIX B – FORM OF OPINION OF BOND COUNSEL

March __, 2024

Town of New Canaan
77 Main Street
New Canaan, CT 06840

We have acted as Bond Counsel in connection with the issuance by the Town of New Canaan Connecticut (the “Town”), of its \$_____ General Obligation Bonds, Issue of 2024 (the “Bonds”) dated March __, 2024. In such capacity, we have examined a record of proceedings of the Town authorizing the Bonds, a Tax Regulatory Agreement of the Town dated the date hereof (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank Trust Company, National Association, the Bonds will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986 (the “Code”) establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excluded from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement, the Official Statement and other offering material relating to the Bonds.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

APPENDIX C – FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for the Bonds to be executed by the Town substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered as of March __, 2024, by the Town of New Canaan, Connecticut (the “Town”), acting by its undersigned officers, duly authorized, in connection with the issuance of \$ _____ General Obligation Bonds, Issue of 2024, dated March __, 2024 (the “Bonds”) for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions.

For purposes of this Agreement, the following capitalized terms shall have the following meanings:

“Final Official Statement” means the official statement of the Town, dated March __, 2024, prepared in connection with the Bonds.

“Listed Events” means any of the events listed in Section 3 of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and otherwise in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2024) as follows:

(i) Audited financial statements of the Town as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Government Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town is required to prepare audited financial statements of its various funds and accounts.

(ii) In addition to the information and statements described in (i) above:

(A) amounts of the net taxable grand list applicable to the fiscal year,

(B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer’s taxable valuation thereon,

(C) percentage or amount of the annual property tax levy uncollected as of the close of the fiscal year,

- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total net debt as of the close of the fiscal year,
- (F) total bonded debt of the Town per capita,
- (G) ratios of the total bonded debt of the Town to the Town's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Town's pension benefit obligations.

(b) The financial statements and other financial information and operating data described above will be provided on or before the date eight (8) months after the close of the fiscal year for which such information is being provided. The Town's fiscal year currently ends on June 30. The Town agrees that if audited information is not available eight months after the close of any fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information or operating data may be provided in whole or in part by specific reference to other documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system, the current internet web address of which is www.emma.msrb.org, or filed with the SEC. If the document to be cross-referenced is a final official statement, it must be available from the MSRB. The Town shall clearly identify each such other document so incorporated by cross-reference. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

(d) The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in mandated statutory accounting principles as in effect from time to time, provided that the Town agrees that the exercise of any such right will be done in a manner consistent with the Rule.

(e) The Town may file information with the Repository, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

Section 3. Reporting of Listed Events.

The Town agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town;

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Town agrees to provide, or cause to be provided, in a timely manner, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

Section 6. Termination.

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Town acknowledges that the undertakings set forth in Sections 2, 3 and 4 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to undertakings set forth in Section 2 of this Agreement or five (5) business days with respect to undertakings set forth in Sections 3 and 4 of this Agreement) from the time the First Selectman, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. For purposes of this section, notice to the Town should be made to the First Selectman, Town of New Canaan, 77 Main Street, New Canaan, CT 06840.

In the event the Town does not cure such failure within the time specified above, the beneficial owner of any of the Bonds shall be entitled only to the remedy of specific performance. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provisions of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) this Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by the holders of not less than 66 2/3% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the Repository in electronic format. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating or financial information provided.

TOWN OF NEW CANAAN, CONNECTICUT

By: _____
DIONNA L. CARLSON
First Selectman

By: _____
ANDREW BROOKS
Town Treasurer

APPENDIX D – NOTICE OF SALE

NOTICE OF SALE

**TOWN OF NEW CANAAN, CONNECTICUT
\$27,025,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS solely via **PARITY**® will be received by the TOWN OF NEW CANAAN, CONNECTICUT (the “Issuer”), until 11:00 A.M. (E.T.) on TUESDAY,

MARCH 5, 2024

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$27,025,000 General Obligation Bonds, Issue of 2024, dated March 19, 2024 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on March 15 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2025	1,595,000	2035	1,195,000
2026	1,595,000	2036	1,195,000
2027	1,595,000	2037	1,195,000
2028	1,595,000	2038	1,195,000
2029	1,595,000	2039	1,195,000
2030	1,420,000	2040	1,195,000
2031	1,420,000	2041	1,195,000
2032	1,420,000	2042	1,195,000
2033	1,420,000	2043	1,195,000
2034	1,420,000	2044	1,195,000

The Bonds will bear interest commencing September 15, 2024 and semiannually thereafter on March 15 and September 15 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

Optional Redemption

The Bonds maturing on or before March 15, 2030 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after March 15, 2030, either in whole or in part at any time, in such order of maturity and amount as the Issuer may determine, and by lot within a maturity, at the respective prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
March 15, 2030 and thereafter	100.0%

Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount, except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended.

Bank Qualification

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date. The record dates for the Bonds will be the last business day of February and August in each year.

Proposals

Each bid must be for the entire \$27,025,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than two (2) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on **PARITY**® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

CUSIP Numbers

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Bonds prior to delivery. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY®**. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 – email notice: parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY®** is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY®**, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, or the inaccuracies of any information, including bid information or worksheets supplied by PARITY®, the use of PARITY® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each of **PARITY®** prospective electronic bidders shall be solely responsible to make necessary arrangements to access **PARITY®** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor **PARITY®** shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or **PARITY®** shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY®**. The Issuer is using **PARITY®** as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of **PARITY®** to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY®** are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone **PARITY®** at (212) 849-5021. If any provision of this Notice shall conflict with information provided by **PARITY®**, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on **PARITY®** shall constitute the official time.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about March 19, 2024 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Sandra Dawson, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4348, E-mail: sdawson@pullcom.com and (2) the Municipal Advisor at William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost (“TIC”), as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (5) the close of the fifth (5th) business day after the Sale Date; or
- (6) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters

relating to the initial sale of the Bonds to the Public, together with the related pricing wires, \ contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Official Statement

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated February 27, 2024 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at www.i-dealprospectus.com and www.munistat.com, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from William Lindsay, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone: (203) 421-2880, E-mail: Bill.Lindsay@munistat.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

TOWN OF NEW CANAAN, CONNECTICUT

DIONNA L. CARLSON
First Selectman

ANDREW BROOKS
Town Treasurer

February 27, 2024

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF NEW CANAAN, CONNECTICUT
\$27,025,000 GENERAL OBLIGATION BONDS, ISSUE OF 2024
DATED MARCH 19, 2024

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. **Due Authorization.** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. **Purchase Price.** The TOWN OF NEW CANAAN, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about March 19, 2024, the Bonds at a price of par (\$ _____), plus an aggregate net premium of \$ _____ and less an underwriter’s discount of \$ _____, resulting in an aggregate net purchase price of \$ _____.

3. **Reasonably Expected Initial Offering Price.**

(a) As of March 5, 2024 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. **Defined Terms.**

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. **Representations and Information.** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the "Code"). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of March 5, 2024.

[UNDERWRITER]

By: _____
Name:
Title:

Schedule A to Issue Price Certificate

<u>Maturity, March 15</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2025	1,595,000		
2026	1,595,000		
2027	1,595,000		
2028	1,595,000		
2029	1,595,000		
2030	1,420,000		
2031	1,420,000		
2032	1,420,000		
2033	1,420,000		
2034	1,420,000		
2035	1,195,000		
2036	1,195,000		
2037	1,195,000		
2038	1,195,000		
2039	1,195,000		
2040	1,195,000		
2041	1,195,000		
2042	1,195,000		
2043	1,195,000		
2044	1,195,000		

Schedule B to Issue Price Certificate