

Preliminary Official Statement Dated February 25, 2025

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

\$34,995,000 General Obligation Bonds, Issue of 2025

Dated: Date of Delivery

Due: March 15, 2026-2045 as shown below

The \$34,995,000 General Obligation Bonds, Issue of 2025 (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, 2025 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 Agent, Transfer Agent 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 25, 2025. Electronic bids via **PARITY**® for the Bonds will be received until 11:00 A.M. (E.T.) on Tuesday, March 4, 2025, as described in the official Notice of Sale. (See "Appendix D" to this Official Statement.)

Maturity Schedule and Amounts

Maturity	Amount	Coupon	Yield	CUSIP ¹	Maturity	Amount	Coupon	Yield	CUSIP ¹
2026	\$2,050,000	%	%	643136---	2036	\$1,565,000	%	%	643136---
2027	2,050,000			643136---	2037	1,565,000			643136---
2028	2,050,000			643136---	2038	1,565,000			643136---
2029	2,050,000			643136---	2039	1,565,000			643136---
2030	2,045,000			643136---	2040	1,565,000			643136---
2031	1,990,000			643136---	2041	1,395,000			643136---
2032	1,990,000			643136---	2042	1,395,000			643136---
2033	1,990,000			643136---	2043	1,395,000			643136---
2034	1,990,000			643136---	2044	1,395,000			643136---
2035	1,990,000			643136---	2045	1,395,000			643136---

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Pullman & Comley, LLC, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about March 18, 2025.

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" to this Official Statement, 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 to this Official Statement, 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 or domestic violent extremism; 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
PULLMAN & COMLEY, LLC
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 4, 2025 at 11:00 A.M. (E.T.)
Issuer:	Town of New Canaan, Connecticut (the "Town").
Issue:	\$34,995,000 General Obligation Bonds, Issue of 2025 (the "Bonds").
Dated Date:	Date of Delivery.
Principal Due:	Principal due on March 15 in each of the years 2026 through 2045, inclusive.
Interest Due:	Interest payable semiannually on March 15 and September 15 in each year until maturity, commencing September 15, 2025.
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. (See "Securities and Remedies" herein.)
Credit Rating:	The Bonds are rated [] by Moody's Ratings ("Moody's"). The Town has received a long-term rating on its outstanding general obligation bonds of [] from Moody's. (See "Ratings" herein.)
Basis of Award:	Lowest True Interest Cost ("TIC") as of the dated date.
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 Agent 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 18, 2025, 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 \$34,995,000 General Obligation Bonds, Issue of 2025 (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 of this Official Statement. 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, 2025 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 Agent, Transfer Agent 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 Ratings ("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, 2031 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after March 15, 2031, 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, 2031 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>
DPW Administration & Engineering 2021 Project...	\$ 2,900,000	\$ 2,550,000	\$ -	\$ 350,000
DPW Highway 2022 Project.....	530,000	310,000	-	220,000
Police Vehicles 2023 Project.....	360,000	280,000	-	80,000
DPW Highways 2023	645,000	200,000	-	146,272
DPW Parks 2023 Project.....	1,327,500	315,000	-	331,041
The Playhouse Theatre 2023 Project.....	4,085,000	350,000	2,000,000	1,735,000
Police Station 2023 Project.....	27,500,000	-	-	27,500,000
Information Technology 2024 Project.....	225,000	-	-	55,000
DPW Parks 2024 Project.....	1,204,000	-	-	63,888
Emergency Management 2024 Project.....	139,226	-	-	139,225
DPW Highway & Transfer 2024 Project.....	760,000	-	-	374,574
New Canaan Housing Authority Loan 2024 Project..	4,000,000	-	-	4,000,000
Total.....	<u>\$ 43,675,726</u>	<u>\$ 4,005,000</u>	<u>\$ 2,000,000</u>	<u>\$ 34,995,000</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 (the "State") 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 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 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 considers cybersecurity a top priority and has many tools such as access controls, next-generation data retention, AI threat detection and prevention, as well as mandatory cybersecurity 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. The Town also installed new Next-Gen firewalls with adaptive threat detection and response along with direct connection to global threat databases for early warning and prevention of bad actors. All servers and desktops have been upgraded to the latest versions of OS and all patches are installed weekly unless deemed critical, which are installed within 24 hrs. The Town has installed all new network switchgear which is updated every 3 to 4 months depending on new software availability unless a critical bulletin is received in which case the software is updated within 24 hrs. Within the past year, Homeland Security performed an onsite Security Assessment consisting of Building Access and Cyber Security. The Town received a very good rating following the assessment and will work to implement all suggestions provided.

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 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.

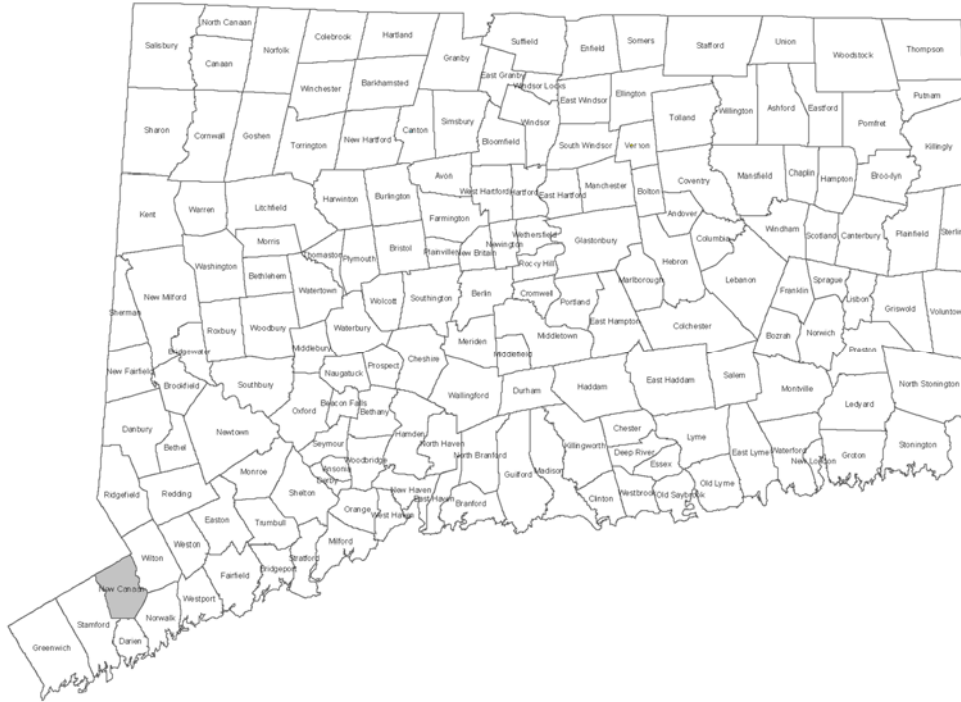
DTC PRACTICES

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 of New Canaan (the "Town" or "New Canaan") 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 2023 American Community Survey has the Town's population at 20,704.

The Town takes pride in its school system. The nationally recognized New Canaan public school system includes three elementary schools, a middle school, and a high school, providing facilities for 3,990 students in the school year 2024-2025. 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 2023 American Community Survey, the Town's median family income was in excess of \$250,000 versus the State median of \$120,011.

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 (“POCD”) recently updated and adopted in October of 2024, which serves as a guide for establishing development goals while balancing the need to maintain the rural charm and natural resources of the Town. This POCD remains in effect until 2034 and has new areas of focus including affordable housing strategies, sustainability, and climate resilience. In response to this new POCD, the Town plans to embark on a comprehensive zoning regulation update starting in the Spring of 2025. Approximately 88% of the Town is zoned for one, two, and four-acre residential use, 7% is zoned for a 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 Town is focused on balancing necessary development while preserving open space. The New Canaan Land Trust is the leading conservation organization in New Canaan, 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, 2024, the average sale price of a New Canaan single-family home listed on the New Canaan Multiple Listing Service was \$2,211,167. The average sale price of a condominium was \$1,390,000.

The Town has one of the highest tax collection rates in the State of Connecticut with a rate of 99.6% in fiscal year 2024. The Town is proud to hold a tax collection rate of 99.4% or better for the past ten years. The state-mandated revaluation for the 2023 grand list effective for fiscal year 2025 saw an increase of approximately 24% over the 2022 grand list that was effective for fiscal year 2024.

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 Connecticut General Statutes (the “General Statutes”) and the 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

	Term Expires November
<u>Board of Selectmen</u>	
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 L. 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.....	2028
James Yao.....	2025
Robert Hamill	2027
Maria Weingarten	2028
Nick Mitrakis.....	2026
Michael Chen.....	2027
Victor Alvarez.....	2026
Stephen Doka (Alternate).....	2025
Alan Badanes - Appointment Pending (Alternate) ¹	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 52 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.

The renovation project of the New Canaan Police Headquarters is underway to modernize the 97-year-old building for law enforcement. The \$27.5 million project is anticipated to be completed in late 2025 and is currently on budget. The building is being upgraded to meet State and federal regulations as an Essential Building to function during any type of emergency 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 24-hour, 7 days-a-week with 40+ volunteers. The service operates three ambulances and a 24-hour, 7 days-a-week 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, an Assistant Building Official, and a full-time Office Administrator. The Building Department is responsible for enforcing the Connecticut State Building Code, performing plan reviews for all proposed construction, issuing building permits, performing site inspections periodically throughout construction, and issuing 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 Assistant 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 works 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 who 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 3 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 5 full-time staff and up to 300 part-time program providers. Programs consist of tennis, pickleball, 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 53, 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, and household and yard waste from residents and garbage haulers. For fiscal year 2024, the Town collected 5,965 tons of garbage and 1,371 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, 2024, a total of 5,965 tons of trash were directed to Wheelabrator Bridgeport. For the fiscal year ending June 30, 2024, the Town paid tipping fees of \$111.00 per ton for solid waste and \$65.00 per ton for recycling. For the fiscal year ending June 30, 2025, 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 is dedicated to continuing to provide the Town’s low-income residents with modern housing units in perpetuity. The Housing Authority of New Canaan acquired the former Avalon property, a 104-unit apartment complex on a 9.1-acre parcel on Lakeview Avenue, for \$75 million in November 2024. The acquisition is expected to help the town achieve relief from Connecticut General Statutes Section 8-30g which applies to municipalities with less than 10% of their total housing deemed affordable. In August 2024, the Town had established a moratorium on construction of Connecticut General Statutes Section 8-30g affordable housing until August of 2028. The 104 units at the former Avalon Property, which will be renamed Riverwood, will provide mixed-income housing with both affordable and market-rate units for the foreseeable future. The Housing Authority continues to manage 213 other affordable housing units at Mill Apartments, Millport Apartments, and Canaan Parish. Mill Apartments is a 40-unit development that was constructed in 2010 to replace 33 units constructed in the 1950s. Millport Apartments is a 73-unit development fully constructed in 2018. Finally, Canaan Parish is a 100-unit development constructed in 2022 to replace 60 units built in the 1960s.

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.

Water: The Aquarion Water Company, which maintains water reserves in Connecticut, supplies water to residents and the Town. Approximately 70% of the residents have private wells.

EDUCATIONAL SYSTEM

The Town's school system consists of five schools strategically located in the Town, which accommodate 3,990 students in 2024-2025. 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 10/1/2024</u>	<u>Capacity</u>
<u>Elementary</u>					
East School.....	K-4	1964	1996	554	600
South School.....	K-4	1950	1954/1996	477	600
West School.....	K-4	1960	1996	427	600
<u>Middle School</u>					
Saxe Middle School.....	5-8	1957	1961/1997/1999/2017	1,273	1,407
<u>High School</u>					
New Canaan High School...	9-12	1971	1995/2007	1,259	1,500
				<u>3,990</u>	<u>4,707</u>

Source: New Canaan Public Schools.

SCHOOL ENROLLMENTS

<u>As of October 1</u>	<u>Actual</u>			
	<u>K-4</u>	<u>5-8</u>	<u>9-12</u>	<u>Total</u>
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
2024	1,458	1,273	1,259	3,990
<u>As of October 1</u>	<u>Projections</u>			
	<u>K-4</u>	<u>5-8</u>	<u>9-12</u>	<u>Total</u>
2025	1,459	1,222	1,262	3,943
2026	1,614	1,215	1,232	4,061
2027	1,698	1,241	1,203	4,142
2028	1,843	1,215	1,207	4,265

Source: New Canaan Public Schools.

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MUNICIPAL EMPLOYMENT

<u>Fiscal Year</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Board of Education.....	795	783	779	757	749
General Government.....	186	188	179	180	180
Total	<u>981</u>	<u>971</u>	<u>958</u>	<u>937</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.....	3
Land Use.....	4
Fire Department.....	25
Fire Marshal.....	1
Emergency Ops.....	1
Human Services.....	3
Police Department.....	52
Parking.....	3
Public Works.....	53
Health Department.....	4
Recreation Department.....	5
Lapham Center.....	1
Finance.....	6
Information Technology.....	4
Animal Control.....	1
Subtotal.....	<u>186</u>
 <u>Board of Education</u>	
Administration.....	33
Teachers and Special Services.....	435
Other.....	327
Subtotal.....	<u>795</u>
Total Town Employees.....	<u>981</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.....	47	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.....	41	6/30/2027
Town Hall Employees..	AFSCME, Council #4, Local 1303-465 Town Employees..	31	6/30/2026
	Non-Bargaining Town Employees.....	<u>43</u>	n/a
	Sub-total Town Employees.....	<u>186</u>	
<u>BOARD OF EDUCATION</u>			
Secretaries.....	UPSEU New Canaan BOE Secretaries Local #424, Unit 44.....	30	6/30/2027
Teachers.....	New Canaan Education Association.....	428	6/30/2025
Custodians.....	AFSCME, Council #4, Local 1303 Custodial Workers.....	43	6/30/2026
Cafeteria Workers.....	UPSEU, Local 424, Unit 20 Cafeteria Workers.....	30	6/30/2028
Administrators.....	New Canaan Administrators Association.....	33	6/30/2026
Teachers Assistants....	UPSEU Local 424, Unit 47.....	121	6/30/2025
	Non-Bargaining Board of Education Employees.....	<u>110</u>	
	Sub-total Board of Education Employees.....	<u>795</u>	
	Total Town and Board of Education Employees.....	<u>981</u>	

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>Western Connecticut Planning Region ¹</u>	<u>State of Connecticut</u>
1990	17,864	857,270	3,287,116
2000	19,395	882,567	3,405,565
2010	19,738	916,829	3,574,097
2020	20,249	944,306	3,570,549
2023	20,704	621,232	3,598,348

¹ Starting with the 2018-22 American Community Survey, the county level data has been changed to reflect the Western Connecticut Planning Region.

Source: U.S. Census Bureau.

AGE CHARACTERISTICS OF POPULATION

<u>Age</u>	<u>Town of New Canaan</u>		<u>Western Connecticut Planning Region</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.....	1,131	5.5	33,008	5.3	181,240	5.0
5 - 9.....	1,652	8.0	36,996	6.0	195,390	5.4
10 - 14.....	1,806	8.7	40,008	6.4	217,297	6.0
15 - 19.....	1,869	9.0	41,127	6.6	238,145	6.6
20 - 24.....	921	4.4	36,567	5.9	233,423	6.5
25 - 34.....	1,132	5.5	71,864	11.6	449,771	12.5
35 - 44.....	2,524	12.2	79,703	12.8	451,461	12.5
45 - 54.....	2,984	14.4	85,714	13.8	462,543	12.9
55 - 59.....	1,866	9.0	46,027	7.4	260,758	7.2
60 - 64.....	1,493	7.2	44,504	7.2	257,548	7.2
65 - 74.....	1,587	7.7	60,614	9.8	376,023	10.4
75 - 84.....	1,094	5.3	31,044	5.0	187,378	5.2
85 and over.....	645	3.1	14,056	2.3	87,371	2.4
Total.....	<u>20,704</u>	<u>100.0</u>	<u>621,232</u>	<u>100.0</u>	<u>3,598,348</u>	<u>100.0</u>
Median Age (years) ..	42.5		41.5		41.2	

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

EDUCATIONAL ATTAINMENT

<u>Educational Attainment Group</u>	<u>Town of New Canaan</u>		<u>Western Connecticut Planning Region</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.....	96	0.7	19,440	4.5	101,530	4.0
9th to 12th grade.....	115	0.9	16,619	3.8	118,019	4.7
High School graduate.....	882	6.6	78,123	18.0	647,094	25.5
Some college, no degree.....	893	6.7	56,124	12.9	410,591	16.2
Associates degree.....	300	2.3	24,582	5.7	193,216	7.6
Bachelor's degree.....	5,826	43.7	129,315	29.8	581,935	23.0
Graduate or professional degree.....	5,213	39.1	109,323	25.2	480,468	19.0
Total.....	<u>13,325</u>	<u>100.0</u>	<u>433,526</u>	<u>100.0</u>	<u>2,532,853</u>	<u>100.0</u>
Percent of High School Graduates...		98.4%		91.7%		91.3%
Percent of College Graduates.....		82.8%		55.0%		41.9%

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

SELECTED WEALTH AND INCOME INDICATORS

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2023)</u>	<u>(2000)</u>	<u>(2023)</u>
Town of New Canaan.....	\$175,331	\$250,000+	\$82,049	\$137,460
Western Connecticut Planning Region ¹	77,690	156,520	38,350	79,648
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	49,600	96,922	21,690	43,289

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

INCOME DISTRIBUTION

	<u>Town of New Canaan</u>		<u>Western Connecticut Planning Region</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.....	46	0.8	2,899	1.8	22,973	2.5
\$10,000 to \$14,999.....	15	0.3	1,467	0.9	12,547	1.4
\$15,000 to \$24,999.....	52	0.9	4,433	2.8	29,893	3.3
\$25,000 to \$34,999.....	113	2.0	5,005	3.1	35,598	3.9
\$35,000 to \$49,999.....	157	2.8	8,159	5.1	61,793	6.7
\$50,000 to \$74,999.....	255	4.5	15,587	9.7	108,046	11.8
\$75,000 to \$99,999.....	200	3.5	13,806	8.6	108,216	11.8
\$100,000 to \$149,999.....	513	9.0	26,512	16.5	185,242	20.2
\$150,000 to \$199,999.....	560	9.8	19,224	12.0	128,574	14.0
\$200,000 or more.....	3,784	66.4	63,704	39.6	224,258	24.5
	<u>5,695</u>	<u>100.0</u>	<u>160,796</u>	<u>100.0</u>	<u>917,140</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

PER CAPITA PERSONAL INCOME - BY METROPOLITAN AREA, 2021-2023

<u>Metropolitan Statistical Area</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Rank in 2023</u>
San Jose-Sunnyvale-Santa Clara, CA.....	\$141,146	\$139,912	\$148,036	1
Midland, TX.....	119,423	144,331	143,469	2
Bridgeport-Stamford-Norwalk, CT.....	121,905	130,214	139,006	3
Naples-Marco Island, FL.....	121,237	125,249	134,527	4
San Francisco-Oakland-Berkeley, CA.....	123,973	123,152	130,730	5
Sebastian-Vero Beach, FL.....	96,551	97,627	105,827	6
Boston-Cambridge-Newton, MA-NH.....	92,742	95,926	100,880	7
Boulder, CO.....	92,317	95,454	100,242	8
Seattle-Tacoma-Bellevue, WA.....	89,358	92,291	99,339	9
Napa, CA.....	87,015	89,219	94,973	10
State of Connecticut.....	81,758	84,994	89,945	
United States.....	64,460	66,244	69,810	

Source: "Survey of Current Business," U.S. Bureau of Economic Analysis, November 2024.

EMPLOYMENT BY INDUSTRY

Employment Sector	Town of New Canaan		Western Connecticut Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
	Agriculture, Forestry, Fishing, Hunting & Mining...	0	0.0	641	0.2	7,261
Construction.....	236	2.7	21,291	6.6	112,821	6.1
Manufacturing.....	517	5.8	25,466	7.9	195,355	10.6
Wholesale Trade.....	206	2.3	7,732	2.4	37,294	2.0
Retail Trade.....	701	7.9	32,080	9.9	192,535	10.5
Transportation, Warehousing & Utilities.....	123	1.4	11,439	3.5	84,571	4.6
Information.....	221	2.5	10,172	3.1	36,631	2.0
Finance, Insurance & Real Estate.....	2,747	30.9	42,196	13.0	162,724	8.9
Professional, Scientific & Management.....	2,123	23.9	56,133	17.3	223,982	12.2
Educational Services & Health Care.....	1,248	14.1	69,266	21.4	490,839	26.7
Arts, Entertainment, Recreation & Food Services...	373	4.2	23,931	7.4	145,445	7.9
Other Service (including nonprofit).....	265	3.0	16,140	5.0	78,662	4.3
Public Administration.....	117	1.3	7,557	2.3	67,335	3.7
Total.....	8,877	100.0	324,044	100.0	1,835,455	100.0

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

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
Annual Average					
2024.....	8,154	265	3.1	3.7	3.5
2023.....	8,071	309	3.7	4.0	3.8
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

¹ Non-seasonally adjusted.

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

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MAJOR EMPLOYERS

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Number of Employees</u>
Town of New Canaan.....	Municipality.....	981
Waveny Care Center/New Canaan Inn	Short-Term-Intermediate Medical Care Facilities...	600
Silver Hill Hospital.....	Rehabilitation Hospital.....	362
YMCA.....	Health, Education.....	275
New Canaan Country School.....	Education.....	154
St. Luke's School.....	Education.....	142
Bankwell Bank.....	Banking.....	93
ACME Markets.....	Retail.....	88
Moran Towing.....	Marine Towing / Transportation services.....	79
Walter Stewart Market.....	Grocery Store.....	75
Total.....		2,849

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>
2025 ¹	178	\$ 49,824,322	25	\$18,631,983	347	\$3,334,276	550	\$ 71,790,581
2024	403	63,349,865	15	2,362,157	1,068	11,829,905	1,486	77,541,927
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	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

¹ Includes new construction and structural improvements through February 1, 2025.

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

Source: Town Building Department.

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HOUSING INVENTORY

<u>Type</u>	<u>Units</u>	<u>Percent</u>
1-unit detached.....	5,588	72.9
1-unit attached.....	790	10.3
2 to 4 units.....	602	7.9
5 to 9 units.....	178	2.3
10 or more units.....	510	6.7
Mobile home, trailer, other..	-	-
Total Inventory.....	<u>7,668</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

NUMBER OF DWELLING UNITS

<u>2023</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>% Increase 2000-2023</u>	<u>% Increase 1980-2023</u>
7,668	7,141	6,852	6,076	7.4%	26.2%

Source: U.S. Census Bureau.

OWNER-OCCUPIED HOUSING VALUES

<u>Value of Owner Occupied Units</u>	<u>Town of New Canaan</u>		<u>Western Connecticut Planning Region</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.....	54	0.9	1,856	1.2	22,174	2.4
\$50,000 to \$99,999.....	-	-	766	0.5	15,116	1.6
\$100,000 to \$149,999.....	9	0.2	1,497	1.0	38,832	4.1
\$150,000 to \$199,999.....	57	1.0	2,768	1.8	77,152	8.2
\$200,000 to \$299,999.....	74	1.3	12,064	7.8	233,824	24.9
\$300,000 to \$499,999.....	224	3.8	39,712	25.8	319,703	34.0
\$500,000 to \$999,999.....	1,081	18.4	55,626	36.2	173,643	18.5
\$1,000,000 and over.....	4,371	74.5	39,471	25.7	59,468	6.3
Total.....	<u>5,870</u>	<u>100.0</u>	<u>153,760</u>	<u>100.0</u>	<u>939,912</u>	<u>100.0</u>
Median Value	\$1,534,100		\$625,400		\$343,200	

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

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AGE DISTRIBUTION OF HOUSING

<u>Year Structure Built</u>	<u>Town of New Canaan</u>		<u>Western Connecticut Planning Region</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Built 2020 or later.....	53	0.7	1,609	0.6	6,350	0.4
Built 2010 to 2019.....	461	6.0	20,179	8.1	66,546	4.3
Built 2000 to 2009.....	875	11.4	22,355	8.9	108,430	7.1
Built 1990 to 1999.....	579	7.6	18,064	7.2	116,617	7.6
Built 1980 to 1989.....	514	6.7	30,084	12.0	197,533	12.9
Built 1970 to 1979.....	849	11.1	35,959	14.4	210,611	13.7
Built 1960 to 1969.....	1,490	19.4	35,033	14.0	198,807	12.9
Built 1950 to 1959.....	1,064	13.9	33,158	13.3	221,879	14.4
Built 1940 to 1949.....	346	4.5	13,126	5.2	95,842	6.2
Built 1939 or earlier....	<u>1,437</u>	<u>18.7</u>	<u>40,541</u>	<u>16.2</u>	<u>313,434</u>	<u>20.4</u>
Total housing units.....	<u>7,668</u>	<u>100.0</u>	<u>250,108</u>	<u>100.0</u>	<u>1,536,049</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2019- 23.

BREAKDOWN OF LAND USE

<u>Land Use Category</u>	<u>Total Acres</u>	<u>% Acres</u>
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.....	<u>730.6</u>	<u>5.5</u>
Total Developed:.....	12,696.3	95.2
Undeveloped – Open Space...	177.9	1.3
Underdeveloped – Vacant ¹	<u>470.9</u>	<u>3.5</u>
Total Area.....	<u>13,345.1</u>	<u>100.0</u>

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 last had a general property revaluation in 2023 which was effective for fiscal year 2024-25. The Town's next scheduled revaluation will be October 1, 2028 which will be effective for fiscal year 2029-30. 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, 2023 (the fiscal year ending June 30, 2025) is 16.14 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 lienied 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 6/30/2024
2025 ^{1,2}	\$9,909,786.57	16.14	\$159,873,597	In process	In process	In process
2024	8,016,779.65	18.94	152,437,480	99.6 %	\$ 630,926	\$ 630,926
2023	7,936,146.52	18.37	146,376,717	99.7	490,950	337,148
2022	7,799,999.81	18.16	142,371,686	99.6	565,108	218,440
2021	7,733,939.64	18.16	140,846,546	99.7	750,222	205,347
2020 ²	7,706,360.08	18.24	141,037,183	99.4	804,044	188,726
2019	8,344,320.45	16.96	141,942,913	99.5	743,032	39,456
2018	8,295,552.06	16.67	138,764,406	99.7	469,017	24,547
2017	8,217,520.54	16.31	134,542,165	99.6	512,446	15,026
2016	8,126,991.70	15.99	130,453,388	99.7	438,044	14,724

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
10/1/23 ¹	2025	\$9,445,642,790	\$124,039,506	\$343,019,675	\$9,912,701,971	\$2,915,400	\$9,909,786,571
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

¹ Year of revaluation.

Source: Assessor's Office.

LARGEST TAXPAYERS

		Grand List of October 1, 2023		
Business-Name	Nature of Business	Total Estimated Assessment	Rank	Percent of Total
Eversource Energy.....	Personal Property (Utility).....	\$ 38,986,640	1	0.39%
Town Close Assoc. LTD Partners.....	Real Estate.....	33,160,120	2	0.33%
New England 15-21 LLC.....	Real Estate.....	28,824,740	3	0.29%
Country Club of New Canaan.....	Real Estate.....	21,644,840	4	0.22%
Canaan Parish Redevelopment LTD...	Real Estate.....	21,011,480	5	0.21%
Yankee Gas.....	Personal Property (Utility).....	18,974,530	6	0.19%
Aquarion Water Company.....	Personal Property (Water Company)...	18,279,780	7	0.18%
New Canaan Lumber Company.....	Real Estate/Lumber.....	18,109,910	8	0.18%
M2 Partners LLC	Real Estate.....	14,090,580	9	0.14%
Tropin, Kenneth G. Trustee.....	Real Estate.....	14,042,560	10	0.14%
Total		\$ 227,125,180		2.29%

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

EQUALIZED NET GRAND LIST

Grand List of 10/1	Equalized Net Grand List	% Growth
2022	\$ 14,757,511,294	4.97%
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%

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 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, 2024, 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.

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, 2023. 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability.....	\$153,577,456	\$149,992,729	\$149,418,364	\$144,196,065	\$138,469,322
Plan fiduciary net position.....	<u>171,388,005</u>	<u>158,991,097</u>	<u>150,350,230</u>	<u>180,103,523</u>	<u>146,816,943</u>
Net pension liability (asset)....	<u>\$(17,810,549)</u>	<u>\$(8,998,368)</u>	<u>\$(931,866)</u>	<u>\$(35,907,458)</u>	<u>\$(8,347,621)</u>
Plan fiduciary net position as a % of total pension liability...	111.6%	106.0%	100.6%	124.9%	106.0%

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>Current</u>	<u>1% Increase</u>
	<u>5.625%</u>	<u>Discount Rate</u>	<u>7.625%</u>
		<u>6.625%</u>	
Town Employees Plan			
Net Pension Liability....	\$ (84,259)	\$ (17,810,549)	\$ (32,749,730)

Source: Audited financial statements.

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

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Cost Method	Overfunded (Unfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	AAL/(UAAL) as a Percentage of Covered Payroll
07/01/24 ¹	\$169,191,461	\$157,910,830	\$11,280,631	107.1%	\$20,466,368	55.1%
07/01/23	\$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%

¹ Draft valuation.

Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
2025 ¹	\$ 505,980	\$ 505,980	100.0%
2024	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%

¹ Adopted budget.

Source: Town Financial Statements; fiscal year 2024-25 budget.

The Town’s actuary estimates that the Town’s Actuarially Determined Employer Contribution (“ADEC”) for the fiscal year ending 2025 is \$505,980 and the ADEC for the fiscal year ending 2026 will be \$780,892.

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 the 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 (based 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 the 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 USI Consulting Group of Glastonbury, Connecticut as its OPEB actuarial consultant. Per the Town's July 1, 2023, OPEB Valuation, a total of 734 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 6.625% 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB liability.....	\$ 25,046,550	\$ 23,904,570	\$ 25,278,971	\$ 23,994,553	\$ 23,711,784
Plan fiduciary net position.....	21,998,563	19,389,044	17,474,382	20,033,275	15,425,925
Net OPEB liability.....	<u>\$ 3,047,987</u>	<u>\$ 4,515,526</u>	<u>\$ 7,804,589</u>	<u>\$ 3,961,278</u>	<u>\$ 8,285,859</u>
Plan fiduciary net position as a % of total pension liability.....	87.83%	81.11%	69.13%	83.49%	65.06%

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.....	\$ 5,847,978	\$ 3,047,987	\$ 655,301

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.....	\$ (881)	\$ 3,047,987	\$ 6,764,905

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>
2024	\$ 864,982	\$ 2,045,145	236.4%
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%

Source: Audited financial statements.

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

<u>Fiscal Year</u>	<u>General Fund Revenues & Transfers In</u>	<u>Property Tax Revenues</u>	<u>Property Tax Revenues as a % of General Fund Revenues</u>
2025 ¹	\$174,932,919	\$158,650,493	90.7 %
2024	179,816,197	152,452,238	84.8
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

¹ Adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.
Source: Town Financial Statements; and fiscal year 2024-25 adopted budget.

INTERGOVERNMENTAL REVENUES

<u>Fiscal Year</u>	<u>General Fund Revenues & Transfers In</u>	<u>Federal & State Aid</u>	<u>Aid As a Percentage Of General Fund Revenue</u>
2025 ¹	\$174,932,919	\$ 1,896,097	1.1 %
2024	179,816,197	17,828,816	9.9 %
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

¹ Adopted budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.
Source: Town Financial Statements; and fiscal year 2024-25 adopted budget.

MUNICIPAL BUDGET EXPENDITURE CAP

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of 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, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures 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, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded.

GENERAL FUND EXPENDITURES

Fiscal Year	Education	General Government	Public Safety	Debt Service	Public Works
2025 ¹	62.5 %	8.3 %	8.3 %	10.8 %	6.5 %
2024	66.2	7.5	7.6	9.9	6.0
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

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

Source: Town Financial Statements; and fiscal year 2024-25 adopted budget.

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**COMPARATIVE GENERAL FUND OPERATING STATEMENT - FY 2023-24 & 2024-25
(BUDGET AND ACTUAL (BUDGETARY BASIS))**

	Fiscal Year 2023-24			Fiscal Year
	Revised Budget	Actual	Variance Favorable (Unfavorable)	2024-25 Adopted Budget
REVENUES				
Property taxes, interest and liens.....	\$150,738,226	\$152,452,238	\$ 1,714,012	\$158,650,493
Intergovernmental revenue.....	1,625,778	1,545,723	(80,055)	1,896,097
Licenses, fees and permits.....	1,108,610	1,451,098	342,488	1,109,610
Income from investments.....	900,000	2,982,690	2,082,690	2,000,000
Fines and forfeitures.....	220,000	199,477	(20,523)	195,000
Use of money and property.....	1,182,750	731,353	(451,397)	739,850
Charges for services.....	2,563,263	2,835,198	271,935	2,480,000
Reimbursements and refunds.....	134,200	22,501	(111,699)	93,235
TOTAL REVENUES	158,472,827	162,220,278	3,747,451	167,164,285
EXPENDITURES				
Current:				
General government.....	13,466,760	13,466,760	-	14,437,346
Public safety.....	13,610,490	13,610,490	-	14,421,574
Public works.....	10,713,422	10,713,422	-	11,331,372
Human services.....	694,841	694,841	-	691,231
Parks and recreation.....	1,277,449	1,277,449	-	1,475,573
Library.....	2,683,880	2,683,880	-	2,791,235
Other agencies.....	632,966	632,966	-	615,500
Education.....	103,039,208	102,481,215	557,993	109,145,488
Contingency.....	2,080,308	-	2,080,308	725,000
Debt Service.....	17,779,600	17,779,600	-	18,914,275
TOTAL EXPENDITURES	165,978,924	163,340,623	2,638,301	174,548,594
Excess (deficiency) of revenues over expenditures.....	<u>(7,506,097)</u>	<u>(1,120,345)</u>	<u>6,385,752</u>	<u>(7,384,309)</u>
Other financing sources (uses):				
Appropriation of fund balance.....	6,163,708	-	(6,163,708)	5,000,000
Cancellation of encumbrances.....	-	10,531	10,531	-
Operating transfers in.....	2,152,375	1,288,347	(864,028)	2,768,634
Operating transfers out ¹	(809,986)	(809,986)	-	(384,325)
Total other financing sources (uses)	7,506,097	488,892	(7,017,205)	7,384,309
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	<u>\$ -</u>	<u>\$ (631,453)</u>	<u>\$ (631,453)</u>	<u>\$ -</u>

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

Source: Fiscal Years 2023-24 Financial Statements and 2024-235 Adopted Budget.

COMPARATIVE BALANCE SHEETS - GENERAL FUND

Fiscal Year Ended:	2020	2021	2022	2023	2024
ASSETS					
Cash and cash equivalents.....	\$ 3,472,784	\$ 9,051,012	\$ 4,493,289	\$ 3,061,278	\$ 699,259
Restricted cash.....	309,252	304,232	302,354	302,354	302,354
Investments.....	33,972,457	22,143,202	27,081,392	23,121,353	24,389,686
Property taxes receivable.....	1,275,308	1,422,336	1,520,330	1,484,616	1,863,227
Other receivables.....	288,357	174,385	976,247	975,114	405,576
Leases receivable.....	-	-	1,298,056	1,230,893	1,205,175
Inventories and prepaids.....	-	-	-	-	-
Due from other funds.....	1,515,705	2,730,014	2,301,632	12,266,505	10,599,100
Other.....	68,700	42,313	30,250	42,323	100,933
TOTAL ASSETS.....	\$40,902,563	\$35,867,494	\$38,003,550	\$42,484,436	\$39,565,310
LIABILITIES AND FUND					
LIABILITIES					
Accounts payable and accruals.....	\$ 3,330,867	\$ 3,921,126	\$ 3,977,470	\$ 4,547,376	\$ 3,635,249
Due to other funds.....	-	411,797	2,051,866	7,417,801	6,115,282
Performance bonds.....	309,252	304,232	302,354	302,354	302,354
Unearned revenue.....	3,000	25,823	14,202	39,520	72,490
Other liabilities.....	104,157	-	61,653	196,320	87,813
TOTAL LIABILITIES.....	3,747,276	4,662,978	6,407,545	12,503,371	10,213,188
DEFERRED INFLOWS OF					
RESOURCES					
Deferred revenues.....	2,256,170	1,563,229	1,520,330	1,493,629	1,863,227
Lease related.....	-	-	1,263,642	1,188,895	1,148,155
TOTAL DEFERRED INFLOWS OF....	2,256,170	1,563,229	2,783,972	2,682,524	3,011,382
RESOURCES					
FUND BALANCES					
Nonspendable.....	-	-	-	41,998	18,907
Committed.....	400,000	309,315	-	-	-
Assigned.....	7,333,380	7,898,846	8,852,036	7,367,782	6,025,681
Unassigned.....	27,165,737	21,433,126	19,959,997	19,888,761	20,296,152
TOTAL FUND BALANCES	34,899,117	29,641,287	28,812,033	27,298,541	26,340,740
TOTAL LIABILITIES, DEFERRED					
INFLOWS OF RESOURCES AND					
FUND BALANCES.....	\$40,902,563	\$35,867,494	\$38,003,550	\$42,484,436	\$39,565,310

Source: Town Financial Statements.

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

Fiscal Year Ended:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Taxes and assessments.....	\$141,558,586	\$141,063,958	\$142,661,041	\$146,843,048	\$152,452,238
Intergovernmental revenue.....	15,033,279	14,649,153	15,544,698	17,054,169	17,828,816
Charges for services.....	4,728,342	6,684,335	7,182,397	6,083,690	5,264,106
Income on investments.....	1,122,601	88,896	160,646	1,363,390	1,584,281
Net change in fair value of investments....	-	-	(748,264)	(2,390)	1,398,409
TOTAL REVENUES.....	<u>162,442,808</u>	<u>162,486,342</u>	<u>164,800,518</u>	<u>171,341,907</u>	<u>178,527,850</u>
EXPENDITURES					
Current:					
General government.....	13,203,334	14,661,311	14,091,597	13,865,281	13,466,760
Public safety.....	12,406,521	12,979,762	13,051,983	13,958,055	13,619,216
Public works.....	9,040,767	9,984,933	9,962,524	10,247,395	10,713,422
Social services.....	489,740	464,310	458,901	436,559	450,228
Parks and recreation.....	1,750,392	1,625,569	1,988,248	2,028,536	1,277,449
Education.....	102,863,830	105,742,176	104,532,563	113,559,360	119,095,878
Payments to other agencies.....	3,017,284	3,099,837	3,166,421	3,311,495	3,561,459
Debt service.....	16,610,305	16,922,856	17,414,551	18,111,717	17,779,600
TOTAL EXPENDITURES.....	<u>159,382,173</u>	<u>165,480,754</u>	<u>164,666,788</u>	<u>175,518,398</u>	<u>179,964,012</u>
Excess (deficiency) of revenues over expenditures.....	3,060,635	(2,994,412)	133,730	(4,176,491)	(1,436,162)
Other financing sources (uses):					
Operating transfers in.....	10,000	-	738,218	2,914,015	1,288,347
Operating transfers out.....	(1,554,895)	(2,264,743)	(1,752,802)	(320,506)	(809,986)
Sale of capital assets.....	17,550	1,325	51,600	69,490	-
Total other financing sources (uses)	<u>(1,527,345)</u>	<u>(2,263,418)</u>	<u>(962,984)</u>	<u>2,662,999</u>	<u>478,361</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	<u>1,533,290</u>	<u>(5,257,830)</u>	<u>(829,254)</u>	<u>(1,513,492)</u>	<u>(957,801)</u>
Fund Balance - July 1.....	<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>
Fund Balance - June 30.....	<u>\$ 34,899,117</u>	<u>\$ 29,641,287</u>	<u>\$ 28,812,033</u>	<u>\$ 27,298,541</u>	<u>\$ 26,340,740</u>

Source: Town Financial Statements.

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VI. INDEBTEDNESS

PRINCIPAL AMOUNT OF BONDED INDEBTEDNESS

As of March 18, 2025

(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	\$ 1,762,000	2027
7/20/2015	Refunding - Schools.....	2.500 - 3.00	634,000	128,000	2027
5/31/2017	General Purpose.....	2.00 - 5.00	2,400,000	1,560,000	2037
5/31/2017	Schools.....	2.00 - 5.00	6,900,000	4,485,000	2037
4/30/2018	General Purpose.....	2.25 - 5.00	11,365,828	6,742,000	2038
4/30/2018	Schools.....	2.25 - 5.00	8,634,172	4,588,000	2038
11/8/2018	Refunding - General Purpose.....	4.00 - 5.00	5,459,000	3,649,000	2030
11/8/2018	Refunding - Schools.....	4.00 - 5.00	7,411,000	206,000	2030
11/8/2018	General Purpose.....	4.00 - 5.00	5,674,835	2,952,500	2039
11/8/2018	Schools.....	4.00 - 5.00	125,165	87,500	2039
1/3/2019	Refunding - General Purpose.....	5.00	12,219,000	1,258,000	2025
1/3/2019	Refunding - Schools.....	5.00	12,854,000	2,142,000	2025
10/1/2019	General Purpose.....	4.00 - 5.00	6,277,765	4,540,000	2040
10/1/2019	Schools.....	4.00 - 5.00	3,322,235	2,485,000	2040
10/1/2019	Refunding - General Purpose.....	4.00 - 5.00	14,691,000	7,791,000	2034
10/1/2019	Refunding - Schools.....	4.00 - 5.00	364,000	139,000	2031
2/4/2020	Refunding - General Purpose.....	4.00 - 5.00	4,155,000	2,681,000	2030
2/4/2020	Refunding - Schools.....	4.00 - 5.00	5,470,000	3,309,000	2027
4/20/2021	General Purpose.....	3.00 - 5.00	2,727,615	2,212,610	2041
4/20/2021	Schools.....	3.00 - 5.00	2,517,385	2,102,390	2041
4/20/2021	Refunding - General Purpose.....	3.00 - 5.00	1,307,000	935,000	2031
4/20/2021	Refunding - Schools.....	3.00 - 5.00	3,768,000	2,695,000	2031
7/1/2021	Equipment Financing Notes - Schools....	1.04	623,367	39,817	2025
12/21/2021	General Purpose.....	2.00 - 4.00	16,356,842	13,600,037	2041
12/21/2021	Schools.....	2.00 - 4.00	8,643,158	7,214,963	2041
8/15/2022	Equipment Financing Notes - Schools....	3.29	800,000	259,956	2026
8/15/2023	Equipment Financing Notes - Schools....	4.37	800,000	461,994	2027
3/19/2024	General Purpose.....	4.00 - 5.00	20,113,175	18,912,000	2044
3/19/2024	Schools.....	4.00 - 5.00	6,911,825	6,518,000	2044
3/18/2025	<i>General Purpose (This Issue).....</i>	TBD	34,995,000	34,995,000	2045
	Total		<u>\$181,281,367</u>	<u>\$140,451,767</u>	

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, 2024, the outstanding principal amounts of the leases totaled \$377,043. Additionally, the Town has various subscription-based arrangements for software and communication systems. As of June 30, 2024, the outstanding principal amounts of the subscription arrangements totaled \$187,225. Please see footnote F in Appendix A to this Official Statement 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 18, 2025 (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
2024-25 ^{1,3}	\$ 7,895,088	\$ 1,300,214	\$ 9,195,302	\$ -	\$ 7,895,088
2025-26	11,045,762	3,571,324	14,617,086	2,050,000	13,095,762
2026-27	10,865,917	3,108,317	13,974,234	2,050,000	12,915,917
2027-28	8,850,000	2,655,825	11,505,825	2,050,000	10,900,000
2028-29	8,010,000	2,283,725	10,293,725	2,050,000	10,060,000
2029-30	7,215,000	1,949,600	9,164,600	2,045,000	9,260,000
2030-31	6,940,000	1,653,400	8,593,400	1,990,000	8,930,000
2031-32	5,380,000	1,412,475	6,792,475	1,990,000	7,370,000
2032-33	5,295,000	1,238,575	6,533,575	1,990,000	7,285,000
2033-34	5,300,000	1,064,681	6,364,681	1,990,000	7,290,000
2034-35	4,385,000	903,794	5,288,794	1,990,000	6,375,000
2035-36	4,280,000	768,006	5,048,006	1,565,000	5,845,000
2036-37	4,225,000	634,669	4,859,669	1,565,000	5,790,000
2037-38	3,390,000	506,606	3,896,606	1,565,000	4,955,000
2038-39	2,835,000	395,425	3,230,425	1,565,000	4,400,000
2039-40	2,715,000	305,150	3,020,150	1,565,000	4,280,000
2040-41	2,320,000	224,950	2,544,950	1,395,000	3,715,000
2041-42	2,120,000	152,650	2,272,650	1,395,000	3,515,000
2042-43	1,195,000	95,600	1,290,600	1,395,000	2,590,000
2043-44	1,195,000	47,800	1,242,800	1,395,000	2,590,000
2044-45	-	-	-	1,395,000	1,395,000
Total	\$105,456,767	\$24,272,786	\$129,729,553	\$34,995,000	\$ 140,451,767

¹ Includes both bonded debt and equipment financing notes.

² Excludes \$6,648,986 in principal payments and \$2,864,519 in interest payments made as of March 18, 2025.

Source: Annual audited financial statements.

CALCULATION OF NET DIRECT DEBT

As of March 18, 2025 (Pro Forma)

Long-term Debt	
<i>The Bonds (This Issue)</i>	\$ 34,995,000
General Improvement.....	68,595,147
Schools.....	36,099,853
Equipment Financing Notes.....	<u>761,767</u>
Total Long-term Debt	<u>140,451,767</u>
Short-Term Debt	
Total Short-Term Debt	<u>-</u>
Total Direct Debt	<u>140,451,767</u>
Exclusions: (State School Construction Aid).....	<u>-</u>
Net Direct Debt	<u><u>\$ 140,451,767</u></u>

Source: Town Finance Department; Financial Statements.

CURRENT DEBT RATIOS

As of March 18, 2025 (Pro Forma)

Total Direct Indebtedness.....	\$140,451,767
Net Direct Indebtedness.....	\$140,451,767
Population ¹	20,704
Net Taxable Grand List (10/1/23).....	\$9,909,786,571
Estimated Full Value.....	\$14,156,837,959
Equalized Net Taxable Grand List (2022) ² ...	\$14,757,511,294
Per Capita Income ¹	\$137,460
Total Direct Debt:	
Per Capita.....	\$6,784
To Net Taxable Grand List.....	1.42%
To Estimated Full Value.....	0.99%
To Equalized Net Taxable Grand List.....	0.95%
Per Capita to Per Capita Income.....	4.94%
Net Direct Debt:	
Per Capita.....	\$6,784
To Net Taxable Grand List.....	1.42%
To Estimated Full Value.....	0.99%
To Equalized Net Taxable Grand List.....	0.95%
Per Capita to Per Capita Income.....	4.94%

¹ U.S. Bureau of Census, American Community Survey, 2019-23.

² Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT STATEMENT

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Population ¹	20,704	20,704	20,704	20,574	20,249
Net taxable grand list.....	\$9,909,786,571	\$7,936,146,520	\$7,799,999,805	\$7,733,939,643	\$7,706,360,081
Estimated full value.....	\$14,156,837,959	\$11,337,352,171	\$11,142,856,864	\$11,048,485,204	\$11,009,085,830
Equalized Net Taxable Grand List ²	\$14,757,511,294	\$14,058,222,435	\$12,399,515,908	\$10,430,282,373	\$11,009,175,830
Per Capita Income ¹	\$137,460	\$137,460	\$137,460	\$119,935	\$114,884
Short-term debt.....	\$0	\$0	\$0	\$0	\$0
Long-term debt.....	\$112,105,753	\$98,524,630	\$111,703,280	\$99,351,265	\$107,049,030
Total Direct Indebtedness.....	\$112,105,753	\$98,524,630	\$111,703,280	\$99,351,265	\$107,049,030
Net Direct Indebtedness.....	\$112,105,753	\$98,524,630	\$111,703,280	\$99,351,265	\$107,049,030

¹ U.S. Bureau of Census, American Community Survey, 2019-23.

² Office of Policy and Management, State of Connecticut.

HISTORICAL DEBT RATIOS

	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Total Direct Indebtedness:					
Per capita.....	\$5,414.69	\$4,758.72	\$5,395.25	\$4,828.97	\$5,286.63
To net taxable grand list.....	1.13%	1.24%	1.43%	1.28%	1.39%
To estimated full value.....	0.79%	0.87%	1.00%	0.90%	0.97%
To equalized net taxable grand list.....	0.76%	0.70%	0.90%	0.95%	0.97%
Debt per capita to per capita income.....	3.94%	3.46%	3.92%	4.03%	4.60%
Net Direct Indebtedness:					
Per capita.....	\$5,414.69	\$4,758.72	\$5,395.25	\$4,828.97	\$5,286.63
To net taxable grand list.....	1.13%	1.24%	1.43%	1.28%	1.39%
To estimated full value.....	0.79%	0.87%	1.00%	0.90%	0.97%
To equalized net taxable grand list.....	0.76%	0.70%	0.90%	0.95%	0.97%
Debt per capita to per capita income.....	3.94%	3.46%	3.92%	4.03%	4.60%

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.

MATURITIES

General obligation bonds, with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The term of an issue may not exceed twenty years except in the case of school and sewer bonds and bonds issued prior to July 1, 2022 which may mature up to thirty years (CGS Sec. 7-371).

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). 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 State and/or 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
Schools 2021 Project.....	\$ 1,365,734	\$ 1,106,734	\$ -	\$ 259,000
Elm Street building 2021 Project	1,359,000	1,356,500	-	2,500
DPW Administration & Engineering 2021 Project.....	2,900,000	2,550,000	350,000	-
Waveny Park Playground 2022 Project.....	455,000	-	-	455,000
DPW Parks 2021 Project	891,000	741,000		150,000
DPW Highway 2022 Project.....	530,000	310,000	220,000	-
DPW Town Buildings 2022 Project.....	1,084,000	839,000		245,000
DPW Parks 2022 Project.....	1,537,500	1,317,500		220,000
EMS Ambulance 2023 Project.....	280,000	105,966		174,034
Police Vehicles 2023 Project.....	360,000	280,000	80,000	-
DPW Highways 2023	645,000	200,000	146,272	298,728
Fire Equipment 2023 project.....	1,000,000			1,000,000
DPW Parks 2023 Project.....	1,327,500	315,000	331,041	681,459
DPW Town Buildings 2023 Project.....	1,940,750	949,750		991,000
Dunning Stadium 2023 Project.....	2,000,000			2,000,000
Schools 2023 Project.....	3,250,750	1,699,000		1,551,750
The Playhouse Theatre 2023 Project.....	4,085,000	2,350,000	1,735,000	-
DPW Administration and Engineering 2023 Project.....	4,331,935	1,320,000		3,011,935
Police Station 2023 Project.....	27,500,000		27,500,000	-
Police Vehicles 2024 Project.....	52,500			52,500
Parking 2024 Project.....	62,000			62,000
Fire Equipment 2024 Project.....	80,000			80,000
Emergency Management 2024	139,226		139,225	1
Information Technology 2024	225,000		55,000	170,000
DPW Highway & Transfer 2024.....	760,000		374,574	385,426
DPW Parks 2024.....	1,204,000		63,888	1,140,112
Coppo Field 2024 Project.....	2,000,000			2,000,000
DPW Town Buildings 2024 Project.....	2,000,000			2,000,000
Schools 2024 Project.....	3,252,500			3,252,500
DPW Wasterwater Treatment 2024 Project.....	4,000,000			4,000,000
DPW Administration and Engineering 2024 Project.....	7,100,000			7,100,000
New Canaan Housing Authority Loan 2024 Project.....	4,000,000		4,000,000	-
Total.....	\$ 81,718,395	\$ 15,440,450	\$ 34,995,000	\$31,282,945

Source: Town Council Bond Resolutions; Town Finance Department.

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Pension Liability Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base,") are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under Connecticut General Statutes Sections 12-129d and 7-528.

Section 7-374 of the Connecticut General Statutes also provides for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in an escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

COMPUTATION OF STATUTORY DEBT LIMIT
As of March 18, 2025 (Pro Forma)

Total fiscal year 2024 tax collections (including interest and lien fees).....	\$ 152,445,939
State Reimbursement for Revenue Loss on Tax Relief for the Elderly.....	<u>-</u>
Base for Establishing Debt Limit.....	<u>\$ 152,445,939</u>

Debt Limitation¹	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total Debt
(2.25 times base).....	\$343,003,363					
(4.50 times base).....		\$686,006,726				
(3.75 times base).....			\$571,672,271			
(3.25 times base).....				\$495,449,302		
(3.00 times base).....					\$457,337,817	
(7.00 times base).....						\$1,067,121,573
Indebtedness (Including this issue)						
Bonds Payable.....	\$ 68,595,147	\$ 36,099,853	\$ -	\$ -	\$ -	\$ 104,695,000
<i>The Bonds (This Issue)</i>	34,995,000	-	-	-	-	34,995,000
Equipment Financing Notes..	-	761,767				761,767
Authorized but						-
Unissued Debt.....	22,217,195	5,065,750	4,000,000	-	-	31,282,945
Gross Direct Debt.....	<u>125,807,342</u>	<u>41,927,370</u>	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>171,734,712</u>
School grants receivable.....	-	-	-	-	-	-
Net Direct Debt.....	<u>125,807,342</u>	<u>41,927,370</u>	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>171,734,712</u>
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	<u>\$217,196,021</u>	<u>\$644,079,356</u>	<u>\$567,672,271</u>	<u>\$495,449,302</u>	<u>\$457,337,817</u>	<u>\$ 895,386,861</u>

¹ Under Connecticut General Statutes, total indebtedness for all classes cannot exceed seven times the base, or \$1,067,121,573.
Source: Town Finance Department; Financial Statements.

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CAPITAL IMPROVEMENT PROGRAM

Project Expenditures	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Assessor.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Information Technology.....	225,000	195,000	195,000	195,000	195,000	1,005,000
Health Department.....	-	-	-	-	-	-
Fire.....	197,325	537,000	262,650	1,577,500	1,346,500	3,920,975
Parking.....	62,000	-	20,000	20,000	-	102,000
EMS.....	-	-	280,000	75,000	-	355,000
Emergency Management.....	172,226	188,053	182,986	208,261	260,112	1,011,637
Police.....	249,000	368,600	414,100	314,600	393,100	1,739,400
DPW Town Buildings.....	2,125,000	4,543,818	1,224,907	299,203	4,105,360	12,298,288
DPW Administration & Engineering....	7,750,000	6,090,000	8,440,000	7,590,000	5,475,000	35,345,000
DPW Highway.....	565,000	2,075,000	595,000	625,000	525,000	4,385,000
DPW Transfer Station.....	300,000	-	-	-	270,000	570,000
DPW Parks Infrastructure.....	7,568,500	4,786,000	2,939,000	3,689,000	4,164,000	23,146,500
DPW Parks Equipment.....	314,500	362,500	273,000	456,000	337,500	1,743,500
Conservation Commission.....	-	-	-	-	-	-
Board of Education.....	3,452,500	4,935,000	5,447,000	1,427,000	1,440,000	16,701,500
Total	\$22,981,051	\$24,080,971	\$20,273,643	\$16,476,564	\$18,511,572	\$102,323,800
Project Revenues	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Tax Supported Amount.....	\$ 384,325	\$ 1,765,689	\$ 1,293,308	\$ 1,238,479	\$ 934,353	\$ 5,616,154
Grants & Contributions.....	5,839,997	-	-	-	-	5,839,997
Bonded Debt.....	16,756,729	22,315,282	18,980,335	15,238,085	17,577,219	90,867,650
Total	\$22,981,051	\$24,080,971	\$20,273,643	\$16,476,564	\$18,511,572	\$102,323,800

Source: Fiscal year 2024-2025 Capital 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. A 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 has prepared this Preliminary Official Statement for the Bonds which is dated February 25, 2025. 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 ____, 2025

APPENDIX A - AUDITED FINANCIAL STATEMENTS

**TOWN OF NEW CANAAN, CONNECTICUT
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June 30, 2024**

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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, 2024, 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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, 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.

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 11, 2024 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 11, 2024

TOWN OF NEW CANAAN

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

ANNE KELLY-LENZ
Chief Financial Officer
Anne.Kelly-Lenz@newcanaanct.gov

TEL: (203) 594-3022
FAX: (203) 594-3122

Management's Discussion and Analysis For the Year Ended June 30, 2024

This discussion and analysis of the Town of New Canaan, Connecticut's ("Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. 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 \$7,900,025 from \$204,210,176 to \$212,110,201. 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 99.6%.
- Total long-term debt increased by \$12,833,213 from \$99,836,807 to \$112,670,020 primarily due to the issuance of \$27,025,000 in General Obligation Bonds and offset by \$13,540,000 in debt payments.
- Income from investments increased by \$442,635 from \$1,595,614 to \$2,038,249 primarily due to higher interest rates. The total change year-over-year for net change in fair value of investments was \$1,455,148 due to market gains.
- Education expenses increased by \$5,902,561 due to a fiscal year 2024 budget increase of \$3,986,209 and an increase in the State Teachers' Retirement Plan expense of \$1,411,387.
- The General Fund balance decreased by \$957,801 from \$27,298,541 to \$26,340,740 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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each major fund. The funds reported as major funds are as follows:

- General fund
- Small bonded capital projects fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements on Schedules 4 and 5.

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

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

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 statements 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 \$212,110,201. Of the total Town net position, \$30,467,119 (14.36%) 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 74,377,334	\$ 63,087,123	\$ 413,526	\$ 344,725	\$ 74,790,860	\$ 63,431,848
Capital assets (net)	291,668,929	273,387,397	1,578,703	1,388,265	293,247,632	274,775,662
Total assets	366,046,263	336,474,520	1,992,229	1,732,990	368,038,492	338,207,510
Deferred outflows of resources	3,173,549	10,359,214	-	-	3,173,549	10,359,214
Long-term liabilities	111,751,875	98,429,872	-	-	111,751,875	98,429,872
Other liabilities	29,452,343	28,848,899	670,644	505,574	30,122,987	29,354,473
Total liabilities	141,204,218	127,278,771	670,644	505,574	141,874,862	127,784,345
Deferred inflows of resources	17,226,978	16,572,203	-	-	17,226,978	16,572,203
Net investment in capital assets	171,292,860	168,905,005	1,578,703	1,388,265	172,871,563	170,293,270
Restricted	30,467,119	25,829,806	-	-	30,467,119	25,829,806
Unrestricted	9,028,637	8,247,949	(257,118)	(160,849)	8,771,519	8,087,100
Total net position	\$ 210,788,616	\$ 202,982,760	\$ 1,321,585	\$ 1,227,416	\$ 212,110,201	\$ 204,210,176

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

The largest portion of net position of the Town reflects its net investment in capital assets, less any related debt and liabilities 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	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 15,563,177	\$ 14,191,393	\$ 592,668	\$ 581,821	\$ 16,155,845	\$ 14,773,214
Operating grants and contributions	20,971,182	23,108,983	-	-	20,971,182	23,108,983
Capital grants and contributions	2,851,047	598,076	-	-	2,851,047	598,076
General revenues:						
Property taxes	152,830,849	146,807,334	-	-	152,830,849	146,807,334
Income from investments	2,038,249	1,595,614	-	-	2,038,249	1,595,614
Net change in fair value of investments	1,564,317	109,169	-	-	1,564,317	109,169
Other	127,908	12,467	-	-	127,908	12,467
Total revenues	195,946,729	186,423,036	592,668	581,821	196,539,397	187,004,857
Expenses:						
General government	11,228,083	12,666,725	-	-	11,228,083	12,666,725
Public safety	19,765,044	21,166,607	-	-	19,765,044	21,166,607
Public works	18,660,826	18,021,451	-	-	18,660,826	18,021,451
Social services	930,866	806,779	-	-	930,866	806,779
Park and recreation	2,869,789	3,423,697	-	-	2,869,789	3,423,697
Education	131,443,817	125,541,256	-	-	131,443,817	125,541,256
Waveny pool	-	-	498,499	500,206	498,499	500,206
Interest	3,242,448	3,374,162	-	-	3,242,448	3,374,162
Total expenses	188,140,873	185,000,677	498,499	500,206	188,639,372	185,500,883
Change in net position before transfers	7,805,856	1,422,359	94,169	81,615	7,900,025	1,503,974
Transfers	-	121,396	-	(121,396)	-	-
Total change in net position	7,805,856	1,543,755	94,169	(39,781)	7,900,025	1,503,974
Net position - July 1	202,982,760	201,439,005	1,227,416	1,267,197	204,210,176	202,706,202
Net position - June 30	\$ 210,788,616	\$ 202,982,760	\$ 1,321,585	\$ 1,227,416	\$ 212,110,201	\$ 204,210,176

Governmental activities

The significant changes are discussed below:

Revenue category	Amount	Description
Charges for services revenue increased by:	\$ 1,371,784	Primarily due to an increase in student activity revenues.
Operating grants and contributions decreased by:	(2,137,801)	Primarily due to a \$2,993,984 decrease in ARPA grant revenue and a \$223,341 decrease in ARP IDEA revenue. These were partially offset by a \$1,411,387 increase in Teachers Retirement on behalf revenue.
Capital grants and contributions increased by:	2,252,971	Primarily due to a new highway planning grant of \$1,129,070 and LOCIP grant of \$755,166.

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

Property tax revenue increased by:	6,023,515	Primarily due to growth in the grand list and an increase in the amount levied to fund the budget.
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Net change in fair value of investments increased by:	1,455,148	Primarily due to gains in the market.
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Expense category	Amount	Description
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General government expenses decreased by:	\$ (1,438,642)	Primarily due to a \$869,084 decrease in ARPA grant expenses and a \$350,000 decrease in affordable housing expenses.
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Public safety and protection expenses decreased by:	(1,401,563)	Primarily due to a \$1,510,187 decrease in pension expense due to an increase in projected earnings on pension plan investments and differences between projected and actual earnings on plan investments.
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Education expense increased by:	5,902,561	Primarily due to a \$1,411,387 increase in Teachers Retirement on behalf expense and a \$3,986,209 increase in the budget.
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Business-type activities

Expenses were essentially flat as no major repairs were necessary for the Steve Benko pool.

Financial analysis of the Town's funds

Governmental funds

This year showed an increase of \$2,851,193 in fund balance on a modified accrual basis in the governmental funds. The total fund balance for governmental funds increased to \$38,165,760 from \$35,314,567 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 \$957,801, from \$27,298,541 to \$26,340,740, with \$20,296,152 being unassigned and \$6,025,681, assigned. Of the assigned fund balance, \$5,000,000 is for the subsequent year's budget. The combined unassigned and the portion assigned for the subsequent year's budget represent 15.41% of the budgetary expenditures and transfers out.

The Board of Finance and Town Council recognize that sound fiscal management forms the foundation for the Town's overall operations. To ensure this support is as effective as possible, the Town's fund balance policy is to maintain a reserve fund of at least 10% of the Town's General Fund annual operating expenditures. This target helps the Town maintain a healthy reserve balance as a safeguard against potential future state funding mandates that could adversely impact the 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 increased by \$2,583,291 from the prior year. This is primarily due to 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.

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

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.

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, 2024**

	Original Budget	Final Budget	Actual	Variance
Revenues				
Property taxes	\$ 150,188,226	\$ 150,188,226	\$ 151,964,836	\$ 1,776,610
Taxes-other than levy	550,000	550,000	487,402	(62,598)
Intergovernmental	1,625,778	1,625,778	1,545,723	(80,055)
Charges for services	2,563,263	2,563,263	2,835,198	271,935
Licenses and permits	1,108,610	1,108,610	1,451,098	342,488
Fines and forfeitures	220,000	220,000	199,477	(20,523)
Use of money and property	1,182,750	1,182,750	731,353	(451,397)
Reimbursements and refunds	134,200	134,200	22,501	(111,699)
Income from investments	900,000	900,000	2,982,690	2,082,690
Other financing sources	8,152,375	8,316,083	1,298,878	(7,017,205)
Total revenues and other financing sources	166,625,202	166,788,910	163,519,156	(3,269,754)
Expenditures				
General government	12,921,694	13,466,760	13,466,760	-
Public safety and protection	14,455,316	13,610,490	13,610,490	-
Public works	11,055,306	10,713,422	10,713,422	-
Human services	471,743	450,228	450,228	-
Recreation	1,490,255	1,277,449	1,277,449	-
Board of education	103,039,208	103,039,208	102,481,215	557,993
Library	2,683,880	2,683,880	2,683,880	-
Other agencies	658,197	632,966	632,966	-
Human service agencies	246,000	244,613	244,613	-
Contingency	650,000	2,080,308	-	2,080,308
Debt service	18,394,603	17,779,600	17,779,600	-
Other financing uses	559,000	809,986	809,986	-
Total expenditures and other financing uses	166,625,202	166,788,910	164,150,609	2,638,301
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ (631,453)	\$ (631,453)

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

General fund budgetary highlights

Significant budget transfers include:

- A \$559,636 increase to establish a separate department for Land Use, previously included with the Building Department.
- A \$336,630 increase to the police budget due to the hiring of 3 new School Resource Officers.
- A \$615,003 decrease in Debt Service due to Capital Bonding later in the fiscal year.
- A \$677,479 decrease to the Building Department budget primarily due to the split out from the Land Use Department.
- A \$392,335 decrease to the Fire Department budget is due to an unfilled budgeted position and reduced overtime resulting from improved workers' compensation outcomes.

Significant variances are summarized as follows:

- Tax collections were \$1,776,610 above budget due to a higher collection rate than was budgeted. The actual tax collection rate was 99.6% compared to 98.5% budgeted.
- Fees and charges for services were \$271,935 above budget primarily due to conveyance and Transfer Station fees.
- Licenses and permits were \$342,488 above budget primarily due to a rise in building permits.
- Income from investments was \$2,082,690 above budget driven by higher interest rates and better market conditions. This amount includes \$684,281 in interest earned on investments and a \$1,398,409 net change in fair value.
- Other financing sources include the use of fund balance to provide tax relief. The original budget included \$6,000,000 in the appropriation of the general fund balance however, the budgetary basis fund balance drawdown was only \$631,453 as a result of strong tax collections, increased income from investments, permits, and underspending relative to the budget.
- The \$650,000 originally budgeted for contingency was unused at year-end.
- The Town Council approved the Board of Education's annual operating budget, which totaled \$103,039,208. 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 \$557,993 under budget, primarily due to relatively small amounts of savings in several areas, including purchased services and supplies.

**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:

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance</u>
Salaries	\$ 67,202,319	\$ 469,704	\$ 67,672,023	\$ 67,647,475	\$ 24,548
Employee benefits	17,621,280	(38,820)	17,582,460	17,554,113	28,347
Contract services	1,582,724	(120,311)	1,462,413	1,462,413	-
Property services	4,873,747	(228,100)	4,645,647	4,623,622	22,025
Purchased services	10,423,159	(111,987)	10,311,172	10,043,445	267,727
Supplies	1,309,143	24,432	1,333,575	1,201,252	132,323
Equipment	282,830	-	282,830	237,810	45,020
Other	233,189	-	233,189	221,407	11,782
Offsets and outside support	(489,183)	5,082	(484,101)	(510,322)	26,221
Total	\$ 103,039,208	\$ -	\$ 103,039,208	\$ 102,481,215	\$ 557,993

The discussion below highlights the differences between the final budget and actual by major object code. Overall, the Board of Education underspent its final budget by \$557,993 or 0.5%.

- In Purchased Services, the District underspent its budget by \$267,727 which was primarily driven by lower Out of District Tuition and bus fuel.
- In Supplies, the District underran the budget by \$132,322 and was mainly attributable to lower spending in instructional supplies, text books and office supplies.

A summary of the New Canaan Public Schools fiscal year 2024 financial activity as compared to the prior year is as follows:

	<u>Actual Budgetary Basis</u>		
	<u>Prior Year</u>	<u>Current Year</u>	<u>Variance to Prior Year</u>
Salaries	\$ 64,177,604	\$ 67,647,475	\$ 3,469,871
Employee benefits	16,385,477	17,554,113	1,168,636
Contract services	1,233,109	1,462,413	229,304
Property services	4,993,882	4,623,622	(370,260)
Purchased services	9,870,288	10,043,445	173,157
Supplies	1,735,715	1,201,252	(534,463)
Equipment	364,731	237,810	(126,921)
Other	221,152	221,407	255
Offsets and outside support	(510,560)	(510,322)	238
Total	\$ 98,471,398	\$ 102,481,215	\$ 4,009,817

The District's expenditures increased year over year by \$4,009,817 (+4.07%) to \$102,481,215. The discussion below of the variances between fiscal years reflects the most significant of the changes:

- Salaries increased by \$3,469,871. 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 2024 accounts for the vast majority of the increase. In addition, there were several teachers that were previously funded by grants that moved over to the Operating Fund. Partly offsetting these increases were turnover savings and the timing of backfill hires.

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

- Employee Benefits increased by \$1,168,636. The primary increases were from the Internal Service Fund for health which increased year-to-year by \$1,151,710 driven by higher claims. Also, employee payroll taxes increased by \$90,854 associated with the overall increase in salaries.

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 7-8).

At the beginning of fiscal year 2024, the Town Health Benefits Fund and the Education Health Benefits Fund were merged into a single fund. The combined fund ended the year with a net position of \$1,295,516. It recorded \$25,627,484 in revenues, \$26,646,123 in operating expenses, and a \$1,000,000 operating transfer of excess fund balance. These activities resulted in a net position decrease of \$2,018,639, reducing the starting net position of \$3,314,155.

The Waveny Pool Fund ended the year with a net position of \$1,321,585, a \$94,169 increase from the prior year of \$1,227,416. Changes in the Waveny 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, VD, and VF.

The Town's retirement plan, while maintaining its fully funded status, had a 13.08% money-weighted rate of return, leading to a net investment income of \$20,342,362 due to market gains. The plan began the year with a net position of \$158,991,097. Throughout the year, the plan paid out total benefits and fees of \$8,934,764 and received \$989,310 in contributions, ending the year with a net position of \$171,388,005. The Town's OPEB Trust Fund net position increased from \$19,389,044 to \$21,998,563. Throughout the year the Trust Fund paid out benefits of \$2,154,969 and received contributions of \$2,198,972.

Capital assets and long-term liabilities

Capital assets

At the end of the year, the Town had an investment of \$291,668,929 in capital assets used in governmental activities and \$1,578,703 for business-type activities. These amounts represent a net increase (including additions and deductions) of 6.7% in capital assets or a total of \$18,471,970 from last year. Total depreciation expense was \$13,528,767 for governmental activities and \$45,599 for business-type activities.

**Capital Assets - Net
June 30**

Category	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 71,304,044	\$ 71,304,044	\$ -	\$ -	\$ 71,304,044	\$ 71,304,044
Construction in progress	22,737,396	16,730,079	-	-	22,737,396	16,730,079
Intangible right-to-use assets	259,985	1,108,796	-	-	259,985	1,108,796
Land improvements	12,759,639	12,648,837	31,552	33,824	12,791,191	12,682,661
Buildings and improvements	123,366,395	119,172,817	1,305,399	1,346,759	124,671,794	120,519,576
Machinery and equipment	14,098,101	10,118,636	7,682	7,682	14,105,783	10,126,318
Vehicles	3,828,953	3,715,228	-	-	3,828,953	3,715,228
Infrastructure	43,314,416	38,588,960	234,070	-	43,548,486	38,588,960
Total	\$ 291,668,929	\$ 273,387,397	\$ 1,578,703	\$ 1,388,265	\$ 293,247,632	\$ 274,775,662

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

Major additions to capital assets included:

Governmental activities

- Construction in progress:
 - Police Station \$ 10,476,100
 - School Security 670,873
 - South Boiler 343,250
 - East Floor Tile Replacement 240,515
 - Irwin Barn Roof 233,887
 - Saxe Floor Tile Replacement 213,239
 - School Painting 156,125
 - Boom Mower 146,272
 - Firehouse Boiler 101,390
- Land Improvements:
 - Dunning Stadium Lights 449,000
 - Parks 155,249
- Buildings and improvements:
 - Playhouse Renovation 4,660,840
 - 220 Elm Street Improvements 1,014,810
 - 220 Elm Street Furniture and Fixtures 762,180
 - Boiler Work 687,230
 - Energy Conservation/LED Lighting 645,958
 - Planetarium Work 429,280
 - Playhouse Furniture and Fixtures 393,530
 - Saxe Tile Replacement 198,525
 - Saxe Cafeteria Roof 193,222
 - NCVAC Boiler 165,535
 - Saxe Masonry Repair 133,475
 - Saxe Elevator Maintenance 113,375
- Machinery and equipment:
 - Playhouse Equipment 1,755,730
 - BOE Lease 800,000
 - Town Hall AV upgrade 232,986
 - Sweeper 212,462
 - Sidewalk Plow 175,390
 - Sweeper 166,445
 - Loader 143,973
 - Athletic Field Mower 136,485
 - Motorola Radio Update 136,215
- Vehicles:
 - Various Town and Board of Education Vehicles 845,325
- Infrastructure:
 - Paving - Roads, Sidewalks and Parking Lots 4,595,244
 - West Road Bridge 1,407,524
 - Ponus Ridge Bridge 1,060,598

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

Business-type activities

- Buildings and improvements:
 - Major upgrades to the Steve Benko Pool \$ 236,037

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

Long-term liabilities

Long-Term Debt		
June 30		
Category	Governmental Activities	
	2024	2023
General obligation bonds	\$ 110,930,000	\$ 97,445,000
Notes	1,175,752	1,079,630
Leases payable	377,043	960,852
Subscriptions payable	187,225	351,325
Total	\$ 112,670,020	\$ 99,836,807

- As of year-end, the business-type activities had no long-term debt.
- Total long-term debt increased by \$12,833,213 from \$99,836,807 to \$112,670,020 primarily due to the issuance of \$27,025,000 in General Obligation Bonds and offset by \$13,540,000 in debt 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 2024 approved budget included full funding of the actuarially determined employer contribution (ADEC) of \$207,649 to the Pension Fund. Contributions in fiscal year 2024 in relation to the OPEB Plan were \$2,045,145 which was \$1,180,163 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 2024-2025 general fund adopted budget totals \$174,932,919. The following economic factors currently affect the Town and were considered in developing the 2024-2025 fiscal year budget:

- The increase in inflation was felt across all costs related to utilities, supplies, maintenance, and repairs.
- Anticipated flat interest rates in fiscal year 2025 compared to fiscal year 2024 having a neutral impact on interest income.

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, 2024

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 14,318,311	\$ 413,526	\$ 14,731,837
Investments	30,900,208	-	30,900,208
Receivables:			
Property taxes	1,011,332	-	1,011,332
Sewer use	25,567	-	25,567
Intergovernmental	967,748	-	967,748
Accounts	1,047,783	-	1,047,783
Leases	120,599	-	120,599
Internal balances	-	-	-
Other	135,049	-	135,049
Total current assets	<u>48,526,597</u>	<u>413,526</u>	<u>48,940,123</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	302,354	-	302,354
Investments	966,872	-	966,872
Permanently restricted:			
Investments	665,855	-	665,855
Total restricted assets	<u>1,935,081</u>	<u>-</u>	<u>1,935,081</u>
Receivables (net):			
Property taxes	851,895	-	851,895
Leases	2,253,212	-	2,253,212
Loans	3,000,000	-	3,000,000
Total receivables (net)	<u>6,105,107</u>	<u>-</u>	<u>6,105,107</u>
Net pension asset	<u>17,810,549</u>	<u>-</u>	<u>17,810,549</u>
Capital assets (net of accumulated depreciation/ amortization):			
Land	71,304,044	-	71,304,044
Construction in progress	22,737,396	-	22,737,396
Intangible right-to-use assets	259,985	-	259,985
Land improvements	12,759,639	31,552	12,791,191
Buildings and improvements	123,366,395	1,305,399	124,671,794
Machinery and equipment	14,098,101	7,682	14,105,783
Vehicles	3,828,953	-	3,828,953
Infrastructure	43,314,416	234,070	43,548,486
Total capital assets (net of accumulated depreciation/amortization)	<u>291,668,929</u>	<u>1,578,703</u>	<u>293,247,632</u>
Total noncurrent assets	<u>317,519,666</u>	<u>1,578,703</u>	<u>319,098,369</u>
Total assets	<u>366,046,263</u>	<u>1,992,229</u>	<u>368,038,492</u>
<u>Deferred Outflows of Resources</u>			
OPEB related	<u>3,173,549</u>	<u>-</u>	<u>3,173,549</u>

(Continued)

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

Town of New Canaan, Connecticut

Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 7,382,641	\$ 268,550	\$ 7,651,191
Accrued payroll and related liabilities	1,680,000	24,499	1,704,499
Retainage payable	884,465	-	884,465
Accrued interest payable	954,745	-	954,745
Unearned revenue	917,493	377,595	1,295,088
Long-term debt	15,053,566	-	15,053,566
Compensated absences	691,462	-	691,462
Heart and hypertension	130,000	-	130,000
Post closure landfill costs	25,000	-	25,000
Claims payable	1,585,633	-	1,585,633
Other	147,338	-	147,338
	<u>29,452,343</u>	<u>670,644</u>	<u>30,122,987</u>
Total current liabilities			
Noncurrent liabilities:			
Performance bonds	302,354	-	302,354
Long-term debt and related liabilities	104,730,402	-	104,730,402
Compensated absences	2,765,846	-	2,765,846
Heart and hypertension	805,286	-	805,286
Post closure landfill costs	100,000	-	100,000
Net OPEB liability	3,047,987	-	3,047,987
	<u>111,751,875</u>	<u>-</u>	<u>111,751,875</u>
Total noncurrent liabilities			
Total liabilities	<u>141,204,218</u>	<u>670,644</u>	<u>141,874,862</u>
<u>Deferred Inflows of Resources</u>			
Lease related	2,316,791	-	2,316,791
Deferred amount on refunding	4,283,570	-	4,283,570
Pension related	4,054,961	-	4,054,961
OPEB related	6,571,656	-	6,571,656
	<u>17,226,978</u>	<u>-</u>	<u>17,226,978</u>
Total deferred inflows of resources			
<u>Net Position</u>			
Net investment in capital assets	171,292,860	1,578,703	172,871,563
Restricted for:			
Nonexpendable endowments	665,855	-	665,855
Expendable endowments	966,872	-	966,872
Pension	17,810,549	-	17,810,549
General government	2,877,282	-	2,877,282
Public safety	62,731	-	62,731
Public works	144,216	-	144,216
Sewer	3,894,229	-	3,894,229
Health and welfare	1,319,109	-	1,319,109
Culture and recreation	111,642	-	111,642
Education	559,853	-	559,853
Cafeteria	867,235	-	867,235
Parking lot repairs and maintenance	1,187,546	-	1,187,546
Unrestricted	9,028,637	(257,118)	8,771,519
	<u>\$ 210,788,616</u>	<u>\$ 1,321,585</u>	<u>\$ 212,110,201</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, 2024

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	\$ 11,228,083	\$ 4,712,252	\$ 760,681	\$ 6,181	\$ (5,748,969)	\$ -	\$ (5,748,969)
Public safety and protection	19,765,044	1,921,110	-	-	(17,843,934)	-	(17,843,934)
Public works	18,660,826	2,848,820	-	2,844,866	(12,967,140)	-	(12,967,140)
Social services	930,866	540,970	436,253	-	46,357	-	46,357
Parks and recreation	2,869,789	1,137,650	38,070	-	(1,694,069)	-	(1,694,069)
Education	131,443,817	4,402,375	19,736,178	-	(107,305,264)	-	(107,305,264)
Interest	3,242,448	-	-	-	(3,242,448)	-	(3,242,448)
20 Total governmental activities	188,140,873	15,563,177	20,971,182	2,851,047	(148,755,467)	-	(148,755,467)
Business-type activities:							
Waveny pool	498,499	592,668	-	-	-	94,169	94,169
Total	<u>\$ 188,639,372</u>	<u>\$16,155,845</u>	<u>\$ 20,971,182</u>	<u>\$ 2,851,047</u>	<u>(148,755,467)</u>	<u>94,169</u>	<u>(148,661,298)</u>
General revenues:							
Property taxes					152,830,849	-	152,830,849
Income from investments					2,038,249	-	2,038,249
Net change in fair value of investments					1,564,317	-	1,564,317
Other					127,908	-	127,908
Total general revenues					<u>156,561,323</u>	<u>-</u>	<u>156,561,323</u>
Change in net position					7,805,856	94,169	7,900,025
Net position - July 1, 2023					<u>202,982,760</u>	<u>1,227,416</u>	<u>204,210,176</u>
Net position - June 30, 2024					<u>\$ 210,788,616</u>	<u>\$ 1,321,585</u>	<u>\$ 212,110,201</u>

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

Town of New Canaan, Connecticut

Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Small Bonded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 699,259	\$ 1,545,314	\$ 11,760,254	\$ 14,004,827
Restricted cash	302,354	-	-	302,354
Investments	24,389,686	-	8,143,249	32,532,935
Receivables (net):				
Property taxes	1,863,227	-	-	1,863,227
Sewer use	-	-	25,567	25,567
Intergovernmental	-	576,070	391,678	967,748
Accounts	405,576	-	538,403	943,979
Leases	1,205,175	-	1,168,636	2,373,811
Loans	-	3,000,000	-	3,000,000
Due from other funds	10,599,100	136	3,478,367	14,077,603
Other	100,933	-	34,116	135,049
Total assets	<u>\$ 39,565,310</u>	<u>\$ 5,121,520</u>	<u>\$ 25,540,270</u>	<u>\$ 70,227,100</u>
<u>Liabilities</u>				
Accounts payable	\$ 2,083,972	\$ 4,300,458	\$ 713,678	\$ 7,098,108
Accrued payroll and related liabilities	1,551,277	-	128,723	1,680,000
Retainage payable	-	864,964	19,501	884,465
Due to other funds	6,115,282	7,657,668	3,053,047	16,825,997
Unearned revenue	72,490	-	845,003	917,493
Performance bonds	302,354	-	-	302,354
Other	87,813	42,445	17,080	147,338
Total liabilities	<u>10,213,188</u>	<u>12,865,535</u>	<u>4,777,032</u>	<u>27,855,755</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue:				
Property taxes	1,863,227	-	-	1,863,227
Sewer use	-	-	25,567	25,567
Lease related	1,148,155	-	1,168,636	2,316,791
Total deferred inflows of resources	<u>3,011,382</u>	<u>-</u>	<u>1,194,203</u>	<u>4,205,585</u>
<u>Fund Balances</u>				
Nonspendable	18,907	-	665,855	684,762
Restricted	-	-	11,990,715	11,990,715
Committed	-	15,727,049	6,912,465	22,639,514
Assigned	6,025,681	-	-	6,025,681
Unassigned	20,296,152	(23,471,064)	-	(3,174,912)
Total fund balances	<u>26,340,740</u>	<u>(7,744,015)</u>	<u>19,569,035</u>	<u>38,165,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,565,310</u>	<u>\$ 5,121,520</u>	<u>\$ 25,540,270</u>	<u>\$ 70,227,100</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, 2024**

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>\$ 38,165,760</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning capital assets (net)	273,387,397
Capital assets additions (net of construction in progress)	31,810,299
Depreciation/amortization expense	<u>(13,528,767)</u>
Total	<u>291,668,929</u>
Other long-term assets are not available resources and, therefore, are not reported in the funds:	
Net pension asset	<u>17,810,549</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	1,888,794
Deferred outflows of resources related to OPEB	<u>3,173,549</u>
Total	<u>5,062,343</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>1,295,516</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	(112,105,752)
Lease payable	(377,043)
Subscriptions payable	(187,225)
Premiums	(7,113,948)
Compensated absences	(3,457,308)
Heart and hypertension	(935,286)
Post closure landfill costs	(125,000)
Net OPEB liability	(3,047,987)
Accrued interest payable	(954,745)
Deferred amount on refunding	(4,283,570)
Deferred inflows of resources related to pensions	(4,054,961)
Deferred inflows of resources related to OPEB	<u>(6,571,656)</u>
Total	<u>(143,214,481)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 210,788,616</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, 2024

	General Fund	Small Bonded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$152,452,238	\$ -	\$ -	\$ 152,452,238
Intergovernmental	17,828,816	2,217,408	2,141,048	22,187,272
Charges for services	5,264,106	-	10,286,031	15,550,137
Income from investments	1,584,281	-	453,968	2,038,249
Net change in fair value of investments	1,398,409	-	165,908	1,564,317
Contributions	-	618,086	1,016,871	1,634,957
Other	-	127,027	881	127,908
Total revenues	<u>178,527,850</u>	<u>2,962,521</u>	<u>14,064,707</u>	<u>195,555,078</u>
Expenditures:				
Current:				
General government	13,466,760	-	813,663	14,280,423
Public safety and protection	13,619,216	-	2,143,500	15,762,716
Public works	10,713,422	-	2,128,903	12,842,325
Social services	450,228	-	230,858	681,086
Parks and recreation	1,277,449	-	1,106,107	2,383,556
Education	119,095,878	-	6,534,964	125,630,842
Payments to other agencies	3,561,459	-	-	3,561,459
Debt service	17,779,600	-	134,808	17,914,408
Capital outlay	-	28,784,523	1,929,486	30,714,009
Total expenditures	<u>179,964,012</u>	<u>28,784,523</u>	<u>15,022,289</u>	<u>223,770,824</u>
Excess (deficiency) of revenues over expenditures	<u>(1,436,162)</u>	<u>(25,822,002)</u>	<u>(957,582)</u>	<u>(28,215,746)</u>
Other financing sources (uses):				
Issuance of debt	-	27,835,854	-	27,835,854
Premium	-	-	2,231,085	2,231,085
Transfers in	1,288,347	569,439	646,290	2,504,076
Transfers out	(809,986)	-	(694,090)	(1,504,076)
Net other financing sources (uses)	<u>478,361</u>	<u>28,405,293</u>	<u>2,183,285</u>	<u>31,066,939</u>
Net change in fund balances	(957,801)	2,583,291	1,225,703	2,851,193
Fund balances - July 1, 2023	<u>27,298,541</u>	<u>(10,327,306)</u>	<u>18,343,332</u>	<u>35,314,567</u>
Fund Balances - June 30, 2024	<u>\$ 26,340,740</u>	<u>\$ (7,744,015)</u>	<u>\$ 19,569,035</u>	<u>\$ 38,165,760</u>

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, 2024**

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)	<u>\$ 2,851,193</u>
--	---------------------

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	31,810,299
Depreciation/amortization expense	<u>(13,528,767)</u>
Total	<u>18,281,532</u>

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	378,611
Change in sewer use receivable - accrual basis change	<u>13,040</u>
Total	<u>391,651</u>

The issuance of long-term debt (e.g., bonds, notes, 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:	
General obligation bonds and notes	(27,825,000)
Leases	(10,854)
Premium	(2,231,085)
Principal repayments:	
General obligation bonds and notes	14,243,878
Leases	594,663
Subscriptions	<u>164,100</u>
Total	<u>(15,064,298)</u>

(Continued)

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, 2024

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	\$ (223,544)
Heart and hypertension	(181,652)
Landfill closure costs	25,000
Net pension asset	8,812,181
Net OPEB liability	1,467,539
Accrued interest payable	(179,585)
Deferred charge on refunding	607,667
Premium	366,035
Deferred outflows related to pension	(7,060,872)
Deferred outflows related to OPEB	(124,793)
Deferred inflows related to pension	(699,999)
Deferred inflows related to OPEB	<u>556,440</u>
Total	<u>3,364,417</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>(2,018,639)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 7,805,856</u>
	(Concluded)

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, 2024

	<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>\$ 592,668</u>	<u>\$ 25,627,484</u>
Operating expenses:		
Personnel services	264,788	-
Utilities	24,663	-
Repairs and maintenance	80,194	-
Materials and supplies	45,507	-
Contracted services	25,809	-
Classes and programs	4,557	-
Other	7,382	-
Depreciation	45,599	-
Claims incurred	-	20,327,322
HSA contributions	-	1,392,797
Administration	-	4,926,004
	<u>498,499</u>	<u>26,646,123</u>
Total operating expenses		
Operating income (loss)	94,169	(1,018,639)
Transfers out	<u>-</u>	<u>(1,000,000)</u>
Change in net position	94,169	(2,018,639)
Total net position - July 1, 2023	<u>1,227,416</u>	<u>3,314,155</u>
Total net position - June 30, 2024	<u>\$ 1,321,585</u>	<u>\$ 1,295,516</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, 2024

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	
	<u>Waveny Pool Fund</u>	<u>Internal Service Funds</u>
Cash flows from (used in) operating activities:		
Receipts from customers and premiums	\$ 586,456	\$ 27,384,859
Payments to suppliers and employees	(321,509)	-
Payments for benefits and claims	-	(20,419,519)
Payments for HSA contributions	-	(1,392,797)
Payments for administration	-	(4,643,974)
Net cash from (used in) operating activities	<u>264,947</u>	<u>928,569</u>
Cash flows from (used in) capital and related financing activities:		
Acquisition and construction of capital assets	<u>(236,037)</u>	<u>-</u>
Cash flows from (used in) noncapital financing activities:		
Transfers out	<u>-</u>	<u>(1,000,000)</u>
Net increase (decrease) in cash	28,910	(71,431)
Cash - July 1, 2023	<u>384,616</u>	<u>384,915</u>
Cash - June 30, 2024	<u>\$ 413,526</u>	<u>\$ 313,484</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:		
Operating income (loss)	\$ 94,169	\$ (1,018,639)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	45,599	-
Changes in operating assets and liabilities (Increase) decrease in:		
Accounts receivable	-	66,466
Due from other funds	-	1,690,909
Prepaid expenses	-	178,511
Increase (decrease) in:		
Accounts payable	128,611	103,519
Accrued payroll and benefits	2,780	-
Due to other funds	(39,891)	-
Claims payable	-	(92,197)
Unearned revenues	<u>33,679</u>	<u>-</u>
Net cash from (used in) operating activities	<u>\$ 264,947</u>	<u>\$ 928,569</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, 2024

	<u>Pension and OPEB Trust Funds</u>
<u>Assets</u>	
Investments:	
Mutual funds:	
U.S. equity	\$ 87,309,490
International equity	43,925,804
Bond	<u>62,151,274</u>
Total assets	<u>193,386,568</u>
<u>Net Position</u>	
Restricted for:	
Pensions	171,388,005
OPEB	<u>21,998,563</u>
Total net position	<u><u>\$ 193,386,568</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, 2024

	<u>Pension and OPEB Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 2,252,794
Plan members	825,664
Teachers' retirement system	<u>109,824</u>
Total contributions	<u>3,188,282</u>
Investment income (loss):	
Net change in fair value of investments	18,393,171
Interest and dividends	<u>4,673,815</u>
Total investment income (loss)	23,066,986
Less investment expenses	<u>159,108</u>
Net investment income (loss)	<u>22,907,878</u>
Total additions	<u>26,096,160</u>
Deductions:	
Benefits	10,923,988
Administration	<u>165,745</u>
Total deductions	<u>11,089,733</u>
Change in net position	15,006,427
Net position - July 1, 2023	<u>178,380,141</u>
Net position - June 30, 2024	<u><u>\$ 193,386,568</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, 2024**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, parks 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, 2024

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, 2024

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, 2024

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:

Asset Class	Target Allocation	
	Town's Pension	Town's OPEB
Equities	65.00%	65.00%
Fixed income	35.00%	35.00%
Total	100.00%	100.00%

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.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

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.

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, 2024**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, \$3,000,000 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 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, 2024

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
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription Term	20,000
Land improvements	20	10,000
Building and improvements	50	10,000
Machinery and equipment	5-15	10,000
Vehicles	8	10,000
Infrastructure	20-65	10,000

Town of New Canaan, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****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, 2024

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 recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements.

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, 2024

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, 2024****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. 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.

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.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

B. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Balance
2018 Waveny Elevator/Bathrooms/ADA	\$ 4,002,180	\$ 2,381,487	\$ 1,620,693
2018 Police Station Renovation	1,700,000	1,630,771	69,229
2019 Parking Lots	500,000	323,296	176,704
2020 Pavement Management Program	2,438,065	2,238,082	199,983
2020 Co-Generation Plant	775,000	662,201	112,799
2021 Pavement management	2,438,065	2,418,565	19,500
2021 Sidewalks	500,000	464,719	35,281
2021 Ponus Ridge Bridge	2,000,000	1,170,266	829,734
2021 Elm Street Building Project	8,309,000	8,284,221	24,779
2022 Playhouse	1,000,000	999,175	825
2023 Pavement Management Program	2,438,065	1,652,516	785,549
2023 East Boiler Replacement	593,000	592,000	1,000
2023 Grove Street	994,775	966,572	28,203
FY24 Boiler Replacement - West	534,380	534,380	-
FY24 Pumper Replacement (Engine 2)	1,200,000	-	1,200,000
FY24 ADA Improvements - Townwide	500,000	38,166	461,834
FY24 Sidewalks - Improvements and New	500,000	332,274	167,726
FY24 Police Station Renovation	27,700,000	10,476,100	17,223,900
FY24 Waveny House Re-Point, Drain	500,000	46,634	453,366
FY24 Playhouse Movie Theatre HVAC	4,085,000	3,886,809	198,191
FY24 Pavement Management Program	2,061,935	1,042,189	1,019,746
FY24 Dunning Stadium Phase 1 Press Box	4,000,000	86,499	3,913,501
FY25-7 Sidewalk Improvements and New	750,000	-	750,000
FY25-7 Lakeview Ave Culvert Construction	2,000,000	-	2,000,000
FY25-10 Coppo Field	2,151,644	177,731	1,973,913
FY25-7 Pavement Management Program	2,724,557	275,443	2,449,114
FY25-12 UV Replacement	4,000,000	-	4,000,000
Public Safety Radio Improvements	2,600,000	2,600,000	-
Totals	\$ 82,995,666	\$ 43,280,096	\$ 39,715,570

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

III. Detailed notes**A. Cash and investments****1. Cash**

- a. Cash balances are summarized as follows:

Statement of Net Position (Exhibit A)	
Current assets	\$ 14,731,837
Noncurrent assets - temporarily restricted	<u>302,354</u>
Total cash	<u><u>\$ 15,034,191</u></u>

b. Deposits – custodial credit risk

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

Bank balance	<u><u>\$ 21,404,420</u></u>
Uninsured and uncollateralized	\$ 8,583,768
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>2,145,205</u>
Total amount subject to custodial credit risk	<u><u>\$ 10,728,973</u></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	\$ 30,900,208
Noncurrent assets	
Temporarily restricted	966,872
Permanently restricted	665,855
Statement of Fiduciary Net Position (Exhibit I)	
Pension and OPEB trust funds	<u>193,386,568</u>
Total investments	<u><u>\$ 225,919,503</u></u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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	\$ 132,322,065	\$132,322,065	\$ -	\$ -	\$ -
Bond	62,677,832	-	-	-	62,677,832
Certificates of deposit	3,802,394	-	3,802,394	-	-
Bank money market accounts	9,658,968	-	9,658,968	-	-
U.S. government agency securities	17,458,244	-	-	17,458,244	-
Total	\$ 225,919,503	\$132,322,065	\$13,461,362	\$17,458,244	\$62,677,832
Less fiduciary funds	(193,386,568)				
Other funds	<u>\$ 32,532,935</u>				

- 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	\$ 132,322,065	\$ 132,322,065	\$ -
Bond	62,677,832	62,677,832	-
U.S. government agency securities	17,458,244	-	17,458,244
Total investments by fair value level	212,458,141	\$ 194,999,897	\$17,458,244
<u>Other investments</u>			
Certificates of deposit	3,802,394		
Bank money market accounts	9,658,968		
Total other investments	13,461,362		
Total investments	\$ 225,919,503		

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, 2024

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	\$ -	\$ 62,677,832	\$ 62,677,832
U.S. government agency securities	17,458,244	-	17,458,244
Total	<u>\$ 17,458,244</u>	<u>\$ 62,677,832</u>	<u>\$ 80,136,076</u>

- 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	<u>\$ 17,458,244</u>	<u>\$ 1,000,000</u>	<u>\$ 16,458,244</u>

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, 2024

B. Receivables

1. Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables and the related allowances for uncollectible accounts are presented below.

	Property Taxes		
	Taxes	Interest and Lien Fees	Total
Current portion	\$ 686,479	\$ 324,853	\$ 1,011,332
Long-term portion	987,861	336,969	1,324,830
Less allowance for uncollectibles	(357,602)	(115,333)	(472,935)
Net long-term portion	630,259	221,636	851,895
Total receivable	<u>\$ 1,316,738</u>	<u>\$ 546,489</u>	<u>\$ 1,863,227</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	\$ 38,407	\$ 32,590	\$ 12,221	\$ 766
Land	1,131,917	1,079,045	23,040	17,402
Outback building	6,236	6,000	35,999	665
Kiwanis Park	28,615	30,520	11,738	1,357
New Canaan Playhouse	1,168,636	1,168,636	3,000	-
Total	2,373,811	<u>\$ 2,316,791</u>	<u>\$ 85,998</u>	<u>\$ 20,190</u>
Less: current portion	(120,599)			
Long-term portion	<u>\$ 2,253,212</u>			

Description	Terms
Concession facility	Since 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, 2024

B. Receivables (continued)

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	Since 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 September 2023, the Town (as lessor) renewed 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 2026.
New Canaan Playhouse	The Town is lessor in a lease agreement for the right to use the playhouse. The agreement was signed in June 2022 and payments began in June 2024. The Town is receiving monthly payments through June 2034.

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	\$ 7,547,639	\$ -
Special Revenue Funds	N/A	3,051,461	1,571,353
Capital Projects Funds	N/A	-	1,795,535
Internal Service Funds	N/A	-	2,748,394
Total General Fund		10,599,100	6,115,282
Small Bonded Capital Projects Fund:			
General Fund	N/A	-	7,547,639
Town Projects Fund	N/A	-	110,029
Special Bonding Fund	N/A	136	-
Total Small Bonded Capital Projects Fund		136	7,657,668

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Other Governmental Funds:			
Special Revenue Funds:			
School Lunch Fund	General Fund	\$ -	\$ 912,658
Subrecipient Grant Fund	General Fund	-	12,652
Summer Learning Fund	General Fund	-	3,198
School Activity Fund	General Fund	-	62,430
Town Projects Fund	General Fund	443	
Town Projects Fund	Small Bonded Capital Projects Fund	110,029	-
Town Projects Fund	General Fund	-	1,327,845
Town Projects Fund	Special Projects Fund	-	1,450
Facilities Rental Fund	General Fund	-	48,974
Special Projects Fund	General Fund	780,980	-
Special Projects Fund	Town Projects Fund	1,450	-
State and Federal Educational	General Fund	-	589,920
School Donation Fund	General Fund	-	64,639
General Government Fund	General Fund	115,991	-
Affordable Housing Fund	General Fund	673,939	-
Visual and Performing Arts Fund	General Fund	-	29,145
Capital Project Funds:			
Special Bonding Fund	General Fund	1,795,535	-
Special Bonding Fund	Small Bonded Capital Projects Fund	-	136
Total Other Governmental Funds		<u>3,478,367</u>	<u>3,053,047</u>
Internal Service Funds:			
Town Health Benefits Fund	General Fund	<u>2,748,394</u>	-
Grand Total		<u>\$16,825,997</u>	<u>\$16,825,997</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, 2024

C. Interfund accounts (continued)

2. Interfund transfers

A summary of interfund transfers is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General Fund:			
Small Bonded Capital Projects Fund	N/A	\$ -	\$ 163,696
Town Projects Fund	N/A	-	67,290
Special Projects Fund	N/A	136,072	20,000
Capital Fund	N/A	-	559,000
Special Bonding Fund	N/A	152,275	-
Town Health Benefits Fund	N/A	1,000,000	-
Total General Fund		1,288,347	809,986
Small Bonded Capital Projects Fund:			
General Fund	N/A	163,696	-
Public Safety Radio Fund	N/A	405,743	-
Total Small Bonded Capital Projects Fund		569,439	-
Other Governmental Funds:			
Special Revenue Funds:			
Town Projects Fund	General Fund	67,290	-
Special Projects Fund	General Fund	20,000	136,072
Tax Supported Capital Fund	General Fund	559,000	-
Special Bonding Fund	General Fund	-	152,275
Public Safety Radio Fund	Small Bonded Capital Projects Fund	-	405,743
Total Other Governmental Funds		646,290	694,090
Internal Service Funds	General Fund	-	1,000,000
Total		\$ 2,504,076	\$ 2,504,076

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, 2024

D. Capital assets

Capital asset activity for the year was as follows:

Governmental Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated/ amortized				
Land	\$ 71,304,044	\$ -	\$ -	\$ 71,304,044
Construction in progress	16,730,079	18,836,059	12,828,742	22,737,396
Total capital assets not being depreciated/amortized	88,034,123	18,836,059	12,828,742	94,041,440
Capital assets being depreciated/amortized				
Intangible right-to-use-assets	2,325,759	-	-	2,325,759
Land improvements	20,862,742	1,020,920	-	21,883,662
Buildings and improvements	214,056,758	10,517,402	-	224,574,160
Machinery and equipment	29,857,002	5,805,599	-	35,662,601
Vehicles	13,704,393	845,325	-	14,549,718
Infrastructure	65,833,751	7,613,736	-	73,447,487
Total capital assets being depreciated/ amortized	346,640,405	25,802,982	-	372,443,387
Total capital assets	434,674,528	44,639,041	12,828,742	466,484,827
Less accumulated depreciation/amortization				
Intangible right-to-use-assets	1,216,963	848,811	-	2,065,774
Land improvements	8,213,905	910,118	-	9,124,023
Buildings and improvements	94,883,941	6,323,824	-	101,207,765
Machinery and equipment	19,738,366	1,826,134	-	21,564,500
Vehicles	9,989,165	731,600	-	10,720,765
Infrastructure	27,244,791	2,888,280	-	30,133,071
Total accumulated depreciation/amortization	161,287,131	13,528,767	-	174,815,898
Net capital assets being depreciated/ amortized	185,353,274	12,274,215	-	197,627,489
Net capital assets	\$273,387,397	\$31,110,274	\$ 12,828,742	\$ 291,668,929

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

	Asset	Accumulated Amortization
Intangible right-to-use leased buildings and improvements	\$ 1,698,999	\$ 1,689,268
Intangible right-to-use leased machinery and equipment	110,765	248,868
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	\$ 2,065,774

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Capital assets (continued)

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

General government	\$ 334,265
Public safety	902,045
Public works	5,444,114
Parks and recreation	474,536
Education	<u>6,373,807</u>
Total depreciation/amortization expense	<u><u>\$ 13,528,767</u></u>

Business-Type Activities:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets being depreciated				
Land improvements	\$ 47,626	\$ -	\$ -	\$ 47,626
Buildings and improvements	2,061,263	-	-	2,061,263
Machinery and equipment	153,629	-	-	153,629
Infrastructure	<u>-</u>	<u>236,037</u>	<u>-</u>	<u>236,037</u>
Total capital assets being depreciated	<u>2,262,518</u>	<u>236,037</u>	<u>-</u>	<u>2,498,555</u>
Less accumulated depreciation				
Land improvements	13,802	2,272	-	16,074
Buildings and improvements	714,504	41,360	-	755,864
Machinery and equipment	145,947	-	-	145,947
Infrastructure	<u>-</u>	<u>1,967</u>	<u>-</u>	<u>1,967</u>
Total accumulated depreciation	<u>874,253</u>	<u>45,599</u>	<u>-</u>	<u>919,852</u>
Net capital assets being depreciated	<u>1,388,265</u>	<u>190,438</u>	<u>-</u>	<u>1,578,703</u>
Net capital assets	<u><u>\$ 1,388,265</u></u>	<u><u>\$ 190,438</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,578,703</u></u>

Depreciation expense was charged to the Waveny Pool Fund.

E. Construction commitments

The Town had the following construction contract commitments:

Police department renovation	\$ 12,158,262
NCS East and Saxe floor replacement	461,187
Elevator modernization	<u>107,600</u>
Total	<u><u>\$ 12,727,049</u></u>

Town of New Canaan, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities

General obligation bonds, equipment financing notes, leases and subscriptions 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, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
Bonds:										
General Purpose:										
58 Refunding bonds	\$8,756,000	2015	2025	2.50-3.00%	\$ 3,487,000	\$ -	\$ 839,000	\$ 2,648,000	\$ 886,000	\$ 1,762,000
General obligation	2,400,000	2017	2037	3.00%	1,680,000	-	120,000	1,560,000	120,000	1,440,000
General obligation	11,365,828	2018	2039	2.25-5.00%	7,516,000	-	774,000	6,742,000	773,000	5,969,000
Refunding bonds - Series B	5,459,000	2018	2029	4.00-5.00%	4,335,000	-	460,000	3,875,000	226,000	3,649,000
Refunding bonds - Series C	11,584,000	2018	2025	5.00%	2,457,000	-	1,199,000	1,258,000	1,258,000	-
General obligation - Series D	5,674,835	2018	2028	3.50-5.00%	3,860,000	-	453,750	3,406,250	453,750	2,952,500
General obligation	6,277,765	2019	2039	4.00-5.00%	5,235,000	-	347,000	4,888,000	348,000	4,540,000
Refunding bonds	14,691,000	2019	2033	4.00-5.00%	9,880,000	-	1,035,000	8,845,000	1,054,000	7,791,000
Refunding bonds	4,155,000	2020	2030	4.00-5.00%	3,220,000	-	539,000	2,681,000	544,000	2,137,000
General obligation	2,727,615	2021	2041	3.00-5.00%	2,384,280	-	171,670	2,212,610	171,670	2,040,940
Refunding bonds	1,307,000	2021	2031	1.50-2.00%	1,061,000	-	126,000	935,000	128,000	807,000
General obligation	16,356,842	2022	2042	2.00-4.00%	15,437,909	-	918,935	14,518,974	918,937	13,600,037
General obligation	20,113,175	2024	2044	4.00-5.00%	-	20,113,175	-	20,113,175	1,201,175	18,912,000
Total general purpose					60,553,189	20,113,175	6,983,355	73,683,009	8,082,532	65,600,477

Town of New Canaan, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)

Description	Original Amount	Year of Issue	Year of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
Bonds: (continued)										
School bonds:										
Refunding bonds	\$ 634,000	2015	2025	2.50-3.00%	\$ 253,000	\$ -	\$ 61,000	\$ 192,000	\$ 64,000	\$ 128,000
General obligation	6,900,000	2017	2037	3.00%	4,830,000	-	345,000	4,485,000	345,000	4,140,000
General obligation	8,634,172	2018	2038	2.25-5.00%	5,259,000	-	671,000	4,588,000	672,000	3,916,000
Refunding bonds - Series B	7,411,000	2018	2029	4.00-5.00%	1,375,000	-	1,165,000	210,000	4,000	206,000
Refunding bonds - Series C	12,854,000	2018	2025	5.00%	4,183,000	-	2,041,000	2,142,000	2,142,000	-
General obligation - Series D	125,165	2018	2028	3.50-5.00%	100,000	-	6,250	93,750	6,250	87,500
General obligation	3,322,235	2019	2040	4.00-5.00%	2,820,000	-	168,000	2,652,000	167,000	2,485,000
Refunding bonds	364,000	2019	2033	4.00-5.00%	210,000	-	35,000	175,000	36,000	139,000
Refunding bonds	5,470,000	2020	2030	4.00-5.00%	4,395,000	-	1,086,000	3,309,000	1,096,000	2,213,000
General obligation	2,517,385	2021	2041	3.00-5.00%	2,240,720	-	138,330	2,102,390	138,330	1,964,060
Refunding bonds	3,768,000	2021	2031	1.50-2.00%	3,059,000	-	364,000	2,695,000	367,000	2,328,000
General obligation	8,643,158	2022	2042	2.00-4.00%	8,167,091	-	476,065	7,691,026	476,063	7,214,963
General obligation	6,911,825	2024	2044	4.00-5.00%	-	6,911,825	-	6,911,825	393,825	6,518,000
Total school bonds					<u>36,891,811</u>	<u>6,911,825</u>	<u>6,556,645</u>	<u>37,246,991</u>	<u>5,907,468</u>	<u>31,339,523</u>
Total bonds					<u>97,445,000</u>	<u>27,025,000</u>	<u>13,540,000</u>	<u>110,930,000</u>	<u>13,990,000</u>	<u>96,940,000</u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Changes in long-term liabilities (continued)

Description	Original Amount	Year of Issue	Year of Maturity	Interest Rate	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion	Long-Term Portion
Equipment Financing Notes:										
Technology Equipment	\$ 621,878	2020	2024	1.00%	\$ 157,554	\$ -	\$ 157,554	\$ -	\$ -	\$ -
Technology Equipment	625,367	2021	2025	1.04%	315,660	-	157,010	158,650	158,650	-
Technology Equipment	800,000	2022	2026	3.29%	606,416	-	195,535	410,881	202,066	208,815
Technology Equipment	800,000	2023	2027	4.37%	-	800,000	193,779	606,221	193,357	412,864
Total notes					1,079,630	800,000	703,878	1,175,752	554,073	621,679
Total bonds/notes					98,524,630	27,825,000	14,243,878	112,105,752	14,544,073	97,561,679
Leases payable					960,852	10,854	594,663	377,043	371,229	5,814
Subscriptions payable					351,325	-	164,100	187,225	138,264	48,961
Total long-term debt					99,836,807	27,835,854	15,002,641	112,670,020	15,053,566	97,616,454
Premium					5,248,898	2,231,085	366,035	7,113,948	-	7,113,948
Total long-term debt and related liabilities					105,085,705	30,066,939	15,368,676	119,783,968	15,053,566	104,730,402
Compensated absences (net change)					3,233,764	223,544	-	3,457,308	691,462	2,765,846
Heart and hypertension					753,634	353,648	171,996	935,286	130,000	805,286
Post closure landfill costs					150,000	-	25,000	125,000	25,000	100,000
Net OPEB liability					4,515,526	3,296,949	4,764,488	3,047,987	-	3,047,987
Total long-term liabilities					\$113,738,629	\$33,941,080	\$20,330,160	\$127,349,549	\$15,900,028	\$111,449,521

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, 2024

F. Changes in long-term liabilities (continued)

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

Year Ended June 30:	Governmental Activities		
	Bond Principal	Note Principal	Total Interest
2025	\$ 13,990,000	\$ 554,073	\$ 4,164,733
2026	10,635,000	410,762	3,571,323
2027	10,655,000	210,917	3,108,317
2028	8,850,000	-	2,655,825
2029	8,010,000	-	2,283,725
2030	7,215,000	-	1,949,600
2031	6,940,000	-	1,653,400
2032	5,380,000	-	1,412,475
2033	5,295,000	-	1,238,575
2034	5,300,000	-	1,064,681
2035	4,385,000	-	903,794
2036	4,280,000	-	768,006
2037	4,225,000	-	634,669
2038	3,390,000	-	506,606
2039	2,835,000	-	395,425
2040	2,715,000	-	305,150
2041	2,320,000	-	224,950
2042	2,120,000	-	152,650
2043	1,195,000	-	95,600
2044	1,195,000	-	47,800
Totals	<u>\$ 110,930,000</u>	<u>\$ 1,175,752</u>	<u>\$ 27,137,304</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$1,175,752 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, 2024

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:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 330,411,398	\$ 73,683,009	\$ 256,728,389
Schools	660,822,795	37,246,991	623,575,804
Sewer	550,685,663	-	550,685,663
Urban renewal	477,260,908	-	477,260,908
Pension deficit	440,548,530	-	440,548,530

The total overall statutory debt limit for the Town is equal to 7 times the annual receipts for the prior year taxation:

\$ 1,027,946,570

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:

<u>Project</u>	<u>Amount</u>
General purpose	\$ 59,214,695
Schools	5,063,250
Total	<u><u>\$ 64,277,945</u></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 \$125,000 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, 2024

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
Food pantry	2024	2	3.21%	\$ 19,629	\$ 17,259
Office space	2022	4	1.53%	1,658,428	359,322
Copiers	2022	3.5	1.53%	110,765	462
Total				<u>\$ 1,788,822</u>	<u>\$ 377,043</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
Food pantry	This lease was extended in 2024 and 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 lease payable principal and interest payments to maturity:

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2025	\$ 371,229	\$ 6,059	\$ 377,288
2026	5,814	186	6,000
Totals	<u>\$ 377,043</u>	<u>\$ 6,245</u>	<u>\$ 383,288</u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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
Enterprise immune system	2023	3	4.37%	\$ 116,328	\$ 40,445
Communications network	2023	3	4.37%	150,520	52,334
Regional permitting and cloud software	2023	2	4.37%	58,286	-
Network software	2023	4	4.37%	178,655	94,446
Total				<u>\$ 503,789</u>	<u>\$ 187,225</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 subscription payable principal and interest payments to maturity:

Governmental Activities:

Year Ending June 30	Principal	Interest
2025	\$ 138,264	\$ 8,182
2026	48,961	2,140
Totals	<u>\$ 187,225</u>	<u>\$ 10,322</u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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	\$ 18,907	\$ -	\$ -	\$ 18,907
Scholarships	-	-	665,855	665,855
Total nonspendable	18,907	-	665,855	684,762
Restricted:				
General government	-	-	552,412	552,412
American rescue plan act	-	-	2,324,870	2,324,870
Public safety	-	-	62,731	62,731
Public works	-	-	144,216	144,216
Sewer operations*	-	-	3,894,229	3,894,229
Health and welfare programs	-	-	1,319,109	1,319,109
Culture and recreation programs	-	-	111,642	111,642
Education	-	-	1,526,725	1,526,725
Cafeteria operations*	-	-	867,235	867,235
Parking lot repairs and maintenance*	-	-	1,187,546	1,187,546
Total restricted	-	-	11,990,715	11,990,715
Committed:				
General government	-	-	618,139	618,139
Police	-	-	400,535	400,535
Movie theater operations and projects	-	-	418,351	418,351
Education	-	-	677,046	677,046
Library loan receivable	-	3,000,000	-	3,000,000
Capital projects:				
Construction contracts	-	12,727,049	-	12,727,049
Other capital projects	-	-	4,798,394	4,798,394
Total committed	-	15,727,049	6,912,465	22,639,514

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

	General Fund	Small Bonded Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assigned:				
Compensated absences	\$ 265,372	\$ -	\$ -	\$ 265,372
Heart and hypertension	658,158	-	-	658,158
Storm damage	102,151	-	-	102,151
Subsequent year's budget	5,000,000	-	-	5,000,000
Total assigned	<u>6,025,681</u>	<u>-</u>	<u>-</u>	<u>6,025,681</u>
Unassigned	<u>20,296,152</u>	<u>(23,471,064)</u>	<u>-</u>	<u>(3,174,912)</u>
Total fund balance	<u>\$ 26,340,740</u>	<u>\$ (7,744,015)</u>	<u>\$ 19,569,035</u>	<u>\$ 38,165,760</u>

*The amount of restricted net position, which was restricted by enabling legislation totaled: \$ 5,949,010

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.

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.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Risk management (continued)

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>				
2022-2023	\$ 320,000	\$ 4,626,561	\$ 4,646,561	\$ 300,000
2023-2024	300,000	20,327,322	19,041,689	1,585,633
<u>Education Health Benefits</u>				
2022-2023	1,517,251	14,569,005	14,708,426	1,377,830
2023-2024	1,377,830	-	1,377,830	-
<u>Total</u>				
2022-2023	<u>\$ 1,837,251</u>	<u>\$ 19,195,566</u>	<u>\$ 19,354,987</u>	<u>\$ 1,677,830</u>
2023-2024	<u>\$ 1,677,830</u>	<u>\$ 20,327,322</u>	<u>\$ 20,419,519</u>	<u>\$ 1,585,633</u>

Town of New Canaan, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2024****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.

C. Related party transactions

During the year ended June 30, 2024, the Town purchased vehicles and paid for vehicle repairs from Karl Chevrolet, a company in which an elected official of the Town has a significant interest. The total amount paid to this company during the year ended June 30, 2024 was \$281,093. While this amount is not material to the Town's financial statements, the Town felt it prudent to disclose these related party transactions. The related party relationship was disclosed to the Board of Selectmen prior to the purchases being approved. These transactions were conducted under terms similar to those available to unrelated third parties and no preferential pricing was applied.

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, 2024

A. Pension plan (continued)

b. Plan membership

The membership in the plan as of the date indicated is comprised of the following:

Valuation date: July 1, 2022	Town
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, 2024

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, 2024

A. Pension plan (continued)**4. Investments****a. Investment policy and rate of return**

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.

Best estimates of geometric real rates of return for each major asset class are included in the pension plan's target asset allocation below.

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.

The following is the Board's adopted asset allocation policy and long-term expected real rate of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	42.00%	4.90%
International equity	23.00%	6.68%
U.S. bonds	35.00%	1.08%
Total/weighted average	<u>100.00%</u>	3.98%
Long-term inflation expectation		<u>2.40%</u>
Long-term expected rate of return		<u>6.38%</u>

Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments (net of pension plan investment expense) was:

13.08%

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

b. Concentrations

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

Town of New Canaan, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Pension plan (continued)

5. Net pension liability (asset)

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

Total pension liability	\$ 153,577,456
Plan fiduciary net position	<u>171,388,005</u>
Net pension liability (asset)	<u>\$ (17,810,549)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>111.60%</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

There were no changes in assumptions.

b. Benefit changes

There were no benefit changes during the year.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

A. Pension plan (continued)**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, 2024, 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:

<u>Valuation Date: July 1, 2022</u>	<u>Increase (Decrease)</u>		
Town Plan	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2023	\$ 149,992,729	\$ 158,991,097	\$ (8,998,368)
Service cost	2,534,625	-	2,534,625
Interest	9,819,121	-	9,819,121
Contributions - employer	-	207,649	(207,649)
Contributions - member	-	781,661	(781,661)
Net investment income	-	20,342,362	(20,342,362)
Benefit payments, including refunds of member contributions	(8,769,019)	(8,769,019)	-
Administrative expenses	-	(165,745)	165,745
Net change	3,584,727	12,396,908	(8,812,181)
Balance at June 30, 2024	<u>\$ 153,577,456</u>	<u>\$ 171,388,005</u>	<u>\$ (17,810,549)</u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net pension liability (asset)	<u>6.625%</u>	<u>\$ (84,259)</u>	<u>\$ (17,810,549)</u>	<u>\$ (32,749,730)</u>

11. Pension expense and deferred outflows and inflows of resources

The Town reported deferred outflows of resources and deferred inflows of resources and pension expense as follows:

Description of Outflows/Inflows	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 934,667
Changes in assumptions	1,023,780
Net difference between projected and actual earnings on pension plan investments	<u>2,096,514</u>
Total	<u>\$ 4,054,961</u>
<u>Pension Expense</u>	
The plan recognized pension expense of:	<u>\$ (843,661)</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:

Year Ending June 30,	
2025	(2,594,768)
2026	3,579,125
2027	(3,025,683)
2028	<u>(2,013,635)</u>
Total	<u>\$ (4,054,961)</u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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 \$778,650 and employee contributions totaled \$2,654,611.

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)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)

Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

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

Employer (school districts)

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

Employees

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

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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>173,134,943</u>
Total	<u>\$ 173,134,943</u>
The plan recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 16,064,487</u>

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

5. Actuarial assumptions

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

Valuation date	June 30, 2023
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

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)

Future cost-of-living increases are as follows:

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
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%
Teachers who were members of the Teachers' Retirement System after July 1, 2007	Pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%

The actuarial assumptions used in the June 30, 2023 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.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

C. Connecticut state teachers' retirement system (continued)

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 Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.30%
Infrastructure and natural resources	7.00%	7.70%
Total	<u>100.00%</u>	

6. Discount rate

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

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

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retirement Systems' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a pension trust fund.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

The membership in the plan as of the date indicated is comprised of the following:

Valuation date: July 1, 2022	Town
Retirees and beneficiaries receiving benefits	122
Active members	580
Total	702

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.

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.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Other post-employment benefit plan (continued)**4. Investments****a. Investment policy and rate of return**

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.

Best estimates of geometric real rates of return for each major asset class are included in the OPEB plan's target asset allocation below.

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.

The following was the Board's adopted asset allocation policy and long-term expected real 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	35.00%	1.08%
Total/weighted average	<u>100.00%</u>	<u>3.98%</u>
Long-term inflation expectation		<u>2.40%</u>
Long-term expected rate of return		<u>6.38%</u>

Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments (net of OPEB plan investment expense) was:

13.22%

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

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, 2024

D. Other post-employment benefit plan (continued)**5. OPEB liability**

The components of the net OPEB liability were measured as of June 30, 2024 and were as follows:

Total OPEB liability	\$ 25,046,550
Plan fiduciary net position	<u>21,998,563</u>
Net OPEB liability	<u>\$ 3,047,987</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>87.83%</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.

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

There were no changes in assumptions.

b. Benefit changes

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

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Other post-employment benefit plan (continued)**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.

9. Changes in the OPEB liability

The Town's OPEB liability was measured at June 30, 2024 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, 2023	\$ 23,904,570	\$19,389,044	\$ 4,515,526
Service cost	714,005	-	714,005
Interest	1,560,742	-	1,560,742
Differences between expected and actual experience	1,022,202	-	1,022,202
Contributions - employer	-	2,045,145	(2,045,145)
Contributions - member	-	44,003	(44,003)
Contributions - TRB subsidy	-	109,824	(109,824)
Net investment income	-	2,565,516	(2,565,516)
Benefit payments, including refunds of member contributions	(2,154,969)	(2,154,969)	-
Net change	1,141,980	2,609,519	(1,467,539)
Balance at June 30, 2024	<u>\$ 25,046,550</u>	<u>\$21,998,563</u>	<u>\$ 3,047,987</u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Other post-employment benefit plan (continued)**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 (asset)	<u>6.625%</u>	<u>\$ 5,847,978</u>	<u>\$ 3,047,987</u>	<u>\$ 655,301</u>

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 (asset)	<u>4.50-6.50%</u>	<u>\$ (881)</u>	<u>\$ 3,047,987</u>	<u>\$ 6,764,905</u>

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

The Town reported deferred outflows resources, deferred inflows of resources, and OPEB expense as follows:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 2,141,016	\$ 5,527,971	\$ (3,386,955)
Changes in assumptions	1,032,533	681,888	350,645
Net difference between projected and actual earnings on OPEB plan investments	-	361,797	(361,797)
Total	<u>\$ 3,173,549</u>	<u>\$ 6,571,656</u>	<u>\$ (3,398,107)</u>
<u>OPEB Expense</u>			
The plan recognized OPEB expense of:			<u>\$ 149,959</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.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

D. Other post-employment benefit plan (continued)

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

Year Ending June 30,	
2025	\$ (715,838)
2026	(78,743)
2027	(925,489)
2028	(787,735)
2029	(531,825)
Thereafter	<u>(358,477)</u>
Total	<u>\$ (3,398,107)</u>

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 to retired teachers and administrators of public schools. 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	5 years of credited service
Vesting - service	10 years of service

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

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 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.

The subsidy amounts are set by State statutes as follows:

Members that are not currently participating in Medicare Parts A & B	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
Members who has attained the normal retirement age to participate in Medicare but is not eligible for Part A of Medicare without cost	A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan

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

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

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

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

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

Employer (school districts)

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

Employees/retirees

Employees: Each active member is required to contribute 1.25% of their pensionable wages

Retirees: Retirees are required to pay for 1/3 of the plan cost through monthly premiums

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	<u>16,220,367</u>
Total	<u>\$ 16,220,367</u>
The plan recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 218,606</u>

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

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**5. Actuarial assumptions**

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

Valuation date	June 30, 2023
Investment rate of return	3.00%
Discount rate	3.64%
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	2028

The actuarial assumptions used in the June 30, 2023 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 3.53% to 3.64% 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 (treasuries). The expected 10-year geometric rate of return is 0.77%. The long-term real rate of return as of June 30, 2023 was 3.25%.

6. Discount rate

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.64%. 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.

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate**

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retiree Health Insurance Plan's fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2023, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a OPEB trust fund.

F. Plan statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2024

	<u>Defined Benefit Pension Trust</u>	<u>Other Post Employment Benefits Trust Fund</u>	<u>Total</u>
<u>Assets</u>			
Investments:			
Mutual funds:			
U.S. equity	\$ 77,187,240	\$ 10,122,250	\$ 87,309,490
International equity	39,048,178	4,877,626	43,925,804
Bond	55,152,587	6,998,687	62,151,274
Total assets	171,388,005	21,998,563	193,386,568
<u>Net Position</u>			
Restricted for:			
Pensions	171,388,005	-	171,388,005
OPEB	-	21,998,563	21,998,563
Total net position	\$ 171,388,005	\$ 21,998,563	\$ 193,386,568

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024

F. Plan statements (continued)

Combining Statement of Changes In Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2024

	Defined Benefit Pension Trust	Other Post Employment Benefits Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Employer	\$ 207,649	\$ 2,045,145	\$ 2,252,794
Plan members	781,661	44,003	825,664
Teachers' retirement system	-	109,824	109,824
	<u>989,310</u>	<u>2,198,972</u>	<u>3,188,282</u>
Total contributions			
Investment income (loss):			
Change in fair value of investments	16,335,135	2,058,036	18,393,171
Interest and dividends	4,153,132	520,683	4,673,815
	<u>20,488,267</u>	<u>2,578,719</u>	<u>23,066,986</u>
Total investment income (loss)			
Less investment expenses	145,905	13,203	159,108
	<u>20,342,362</u>	<u>2,565,516</u>	<u>22,907,878</u>
Net investment income (loss)			
Total additions	<u>21,331,672</u>	<u>4,764,488</u>	<u>26,096,160</u>
Deductions:			
Benefits	8,769,019	2,154,969	10,923,988
Administration	165,745	-	165,745
	<u>8,934,764</u>	<u>2,154,969</u>	<u>11,089,733</u>
Total deductions			
Change in net position	12,396,908	2,609,519	15,006,427
Net position - July 1, 2023	158,991,097	19,389,044	178,380,141
Net position - June 30, 2024	<u>\$ 171,388,005</u>	<u>\$ 21,998,563</u>	<u>\$ 193,386,568</u>

Town of New Canaan, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2024**VI. Subsequent events**

In October 2024, the Town signed a loan agreement with the Housing Authority of the Town of New Canaan ("Housing Authority"), a separate entity. Under the agreement, the Town loaned \$4,000,000 to the Housing Authority as secondary financing for the purposes of completing the acquisition of the Riverwood New Canaan. The loan has an interest rate of the Town's interest rate on a 10-year tax exempt municipal bond plus 1.00% (planned to be issued in March 2025). Beginning November 1, 2024, the Housing Authority will make monthly interest payments only until the maturity date of October 8, 2034, on which date the loan will be due and payable in full.

VII. Recently issued GASB pronouncements

GASB Statement No. 101, "Compensated Absences", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

GASB Statement No. 102, "Certain Risk Disclosures", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, "Financial Reporting Model Improvements", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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 Retiree Health Insurance Plan	Schedule of Proportionate Share of the Collective Net OPEB Liability
	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, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Revenues					
Tax - current year					
Tax collections	150,188,226	-	150,188,226	151,964,836	\$ 1,776,610
Tax - other than levy					
Tax collections - prior years	300,000	-	300,000	138,250	(161,750)
Lien fees and interest	250,000	-	250,000	349,152	99,152
Total tax-other than levy	550,000	-	550,000	487,402	(62,598)
Total property taxes	150,738,226	-	150,738,226	152,452,238	1,714,012
Intergovernmental					
Excess cost grant	1,096,032	-	1,096,032	719,323	(376,709)
CT Judicial revenue distribution	19,000	-	19,000	22,768	3,768
Educational cost sharing grant	422,138	-	422,138	451,381	29,243
School health and welfare	15,496	-	15,496	16,231	735
Other state grants	20,000	-	20,000	200	(19,800)
State grants - police	25,000	-	25,000	-	(25,000)
State property tax reimbursement	28,112	-	28,112	101,728	73,616
Elderly tax exemption	-	-	-	107	107
Veterans exemption	-	-	-	758	758
Municipal revenue sharing	-	-	-	233,227	233,227
Total intergovernmental	1,625,778	-	1,625,778	1,545,723	(80,055)
Charges for services					
Fees and charges for services					
Concessions and commissions	6,000	-	6,000	-	(6,000)
Conveyance fees	1,500,000	-	1,500,000	1,640,311	140,311
Dog park fees	15,000	-	15,000	7,715	(7,285)
Fingerprint fees	7,000	-	7,000	6,680	(320)
Flu clinics	-	-	-	-	-
Inland wetland application/violation fees	30,000	-	30,000	37,190	7,190
Marriage license fees	1,200	-	1,200	1,008	(192)
MERS fees	55,000	-	55,000	22,095	(32,905)
Miscellaneous income - finance	-	-	-	49,919	49,919
Miscellaneous income - town clerk	1,300	-	1,300	1,009	(291)
Notary fees	700	-	700	645	(55)
Planning and zoning application fees	10,000	-	10,000	18,686	8,686
Recording fees	75,000	-	75,000	55,767	(19,233)
Senior citizens program	76,500	-	76,500	107,407	30,907
State telephone line grant	67,513	-	67,513	81,069	13,556
Trade names	550	-	550	600	50
Transfer station dump fees	75,000	-	75,000	126,492	51,492
Transfer station recycling	35,000	-	35,000	55,530	20,530
Transfer station sticker fees	120,000	-	120,000	171,643	51,643
Transfer station tipping fees	450,000	-	450,000	412,506	(37,494)
Vital statistics fees	20,000	-	20,000	28,176	8,176
Storm sewer connection fees	1,500	-	1,500	750	(750)
Drainage review	3,000	-	3,000	6,000	3,000
Zoning board of appeals fees	3,000	-	3,000	4,000	1,000
Rental of property	10,000	-	10,000	-	(10,000)
Total fees and charges for services	2,563,263	-	2,563,263	2,835,198	271,935

(Continued)

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, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Licenses and permits					
Amusement permits	\$ 310	\$ -	\$ 310	\$ 585	\$ 275
Barbers and salons	4,000	-	4,000	4,500	500
Building permits	850,000	-	850,000	1,116,390	266,390
Dog license clerk fees	3,000	-	3,000	2,824	(176)
Driveway permits	1,000	-	1,000	4,500	3,500
Liquor licenses	300	-	300	620	320
Pistol permits	8,000	-	8,000	7,490	(510)
Plan review	60,000	-	60,000	81,550	21,550
Refuse and septic inspections	5,000	-	5,000	5,400	400
Restaurant permits	35,000	-	35,000	40,150	5,150
Sales of codes and regulations	4,500	-	4,500	3,636	(864)
Septic permits	47,500	-	47,500	46,325	(1,175)
Sign permits	-	-	-	1,900	1,900
Street opening permits	25,000	-	25,000	11,703	(13,297)
Well permits	5,000	-	5,000	7,250	2,250
Fire permits fees	-	-	-	600	600
Zoning permits	60,000	-	60,000	115,675	55,675
Total licenses and permits	1,108,610	-	1,108,610	1,451,098	342,488
Fines and forfeitures					
False alarm fines	20,000	-	20,000	11,000	(9,000)
Parking tickets	200,000	-	200,000	188,477	(11,523)
Total fines and forfeitures	220,000	-	220,000	199,477	(20,523)
Use of money and property					
Copier revenue - finance	8,000	-	8,000	1,237	(6,763)
Copier revenue - police	1,750	-	1,750	1,761	11
Copier revenue - town clerk	25,000	-	25,000	9,383	(15,617)
Paddle tennis fees	-	-	-	450	450
Parking - box car	16,000	-	16,000	31,922	15,922
Parking meters	210,000	-	210,000	278,662	68,662
Parking permit waiting fees	1,500	-	1,500	737	(763)
Parking permits	500,000	-	500,000	260,512	(239,488)
Parking - day passes	2,500	-	2,500	2,248	(252)
Rental of property - finance	380,000	-	380,000	110,678	(269,322)
Rental of property - recreation	23,000	-	23,000	7,200	(15,800)
Waveny custodial fees	-	-	-	563	563
Sale of assets - leaf mulch	15,000	-	15,000	26,000	11,000
Total use of money and property	1,182,750	-	1,182,750	731,353	(451,397)
Reimbursements and refunds					
DEEP administration cost revenue	1,100	-	1,100	1,188	88
Solar energy credits	23,000	-	23,000	20,978	(2,022)
Member equity	50,000	-	50,000	-	(50,000)
NSF fees	100	-	100	335	235
Workers compensation offset	60,000	-	60,000	-	(60,000)
Total reimbursements and refunds	134,200	-	134,200	22,501	(111,699)
Total charges for services	5,208,823	-	5,208,823	5,239,627	30,804

(Continued)

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, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Income from investments					
Interest on investments	\$ 900,000	\$ -	\$ 900,000	\$ 1,584,281	\$ 684,281
Net change in fair value	-	-	-	1,398,409	1,398,409
Total income from investments	900,000	-	900,000	2,982,690	2,082,690
Total revenues	158,472,827	-	158,472,827	162,220,278	3,747,451
Other financing sources					
Transfers in	2,152,375	-	2,152,375	1,288,347	(864,028)
Cancellation of encumbrances	-	-	-	10,531	10,531
Appropriation of fund balance	6,000,000	163,708	6,163,708	-	(6,163,708)
Total other financing sources	8,152,375	163,708	8,316,083	1,298,878	(7,017,205)
Total revenues and other financing sources	166,625,202	163,708	166,788,910	163,519,156	(3,269,754)
Expenditures					
General government					
First selectman	615,531	(30,919)	584,612	584,612	-
Finance	1,180,868	(5,338)	1,175,530	1,175,530	-
Tax assessor	363,009	2,857	365,866	365,866	-
Tax collector	265,937	5,042	270,979	270,979	-
Legal	400,000	32,985	432,985	432,985	-
Human resources	424,045	(10,753)	413,292	413,292	-
Information technology	489,849	2,884	492,733	492,733	-
Town clerk	468,923	(39,900)	429,023	429,023	-
Registrar of voters	199,688	17,185	216,873	216,873	-
Conservation commission	26,000	(26,000)	-	-	-
Health and security benefits and OPEB	6,515,999	14,009	6,530,008	6,530,008	-
Insurance liability	1,600,755	(46,423)	1,554,332	1,554,332	-
Salary offsets	(7,844)	77,340	69,496	69,496	-
Land use	-	559,636	559,636	559,636	-
Parking	378,934	(7,539)	371,395	371,395	-
Total general government	12,921,694	545,066	13,466,760	13,466,760	-
Public safety and protection					
Police	7,110,079	336,630	7,446,709	7,446,709	-
Building use	1,256,243	(677,479)	578,764	578,764	-
Health	550,265	6,917	557,182	557,182	-
Fire	4,531,730	(392,335)	4,139,395	4,139,395	-
Ambulance corps	699,085	(73,459)	625,626	625,626	-
Animal control	93,570	4,926	98,496	98,496	-
Emergency management	214,344	(50,026)	164,318	164,318	-
Total public safety and protection	14,455,316	(844,826)	13,610,490	13,610,490	-

(Continued)

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, 2024

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Public works					
Public works administration	\$ 336,425	\$ (8,972)	\$ 327,453	\$ 327,453	\$ -
Highway	3,751,854	(147,453)	3,604,401	3,604,401	-
Engineering	402,799	(28,745)	374,054	374,054	-
Town buildings	1,427,946	(63,594)	1,364,352	1,364,352	-
Utilities	563,307	(50,029)	513,278	513,278	-
Transfer station	1,764,046	(50,654)	1,713,392	1,713,392	-
Parks	2,186,759	30,664	2,217,423	2,217,423	-
Town hall annex	-	-	-	-	-
Nature center	82,757	(19,991)	62,766	62,766	-
Tree warden	539,413	(3,110)	536,303	536,303	-
Total public works	11,055,306	(341,884)	10,713,422	10,713,422	-
Human services					
Administration	471,743	(21,515)	450,228	450,228	-
Recreation					
Recreation administration	620,493	(112,061)	508,432	508,432	-
Civic activity	6,500	10,565	17,065	17,065	-
Waveny	159,837	(65,618)	94,219	94,219	-
Paddle tennis	31,900	(22,909)	8,991	8,991	-
Waveny park buildings	255,653	(24,662)	230,991	230,991	-
Lapham center	340,762	5,175	345,937	345,937	-
Kiwanis park	75,110	(3,296)	71,814	71,814	-
Total recreation	1,490,255	(212,806)	1,277,449	1,277,449	-
Education	103,039,208	-	103,039,208	102,481,215	557,993
Library	2,683,880	-	2,683,880	2,683,880	-
Other agencies					
Health/welfare	271,000	(23,281)	247,719	247,719	-
Day care center	32,000	-	32,000	32,000	-
New Canaan historical society	280,000	(1,800)	278,200	278,200	-
Trans private schools	25,000	-	25,000	25,000	-
Channel 79 TV	38,197	-	38,197	38,197	-
Probate court	12,000	(150)	11,850	11,850	-
Total other agencies	658,197	(25,231)	632,966	632,966	-
Human services agencies					
Getabout	47,000	-	47,000	47,000	-
Kids in crisis	96,000	-	96,000	96,000	-
New Canaan cares	18,000	-	18,000	18,000	-
Child guidance center	5,000	-	5,000	5,000	-
Domestic violence crisis center	10,000	-	10,000	10,000	-
Meals on wheels	5,000	-	5,000	5,000	-
New Canaan urgent assessment	50,000	-	50,000	50,000	-
Catholic Charities of Fairfield County	2,500	-	2,500	2,500	-
Elder House	2,500	-	2,500	2,500	-
Family Centers	2,500	-	2,500	2,500	-
Community Action Agency of Western Connecticut	2,500	-	2,500	2,500	-
Community program mental wellness	5,000	(1,387)	3,613	3,613	-
Total human services agencies	246,000	(1,387)	244,613	244,613	-

(Continued)

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, 2024**

	<u>Original Budget</u>	<u>Additional Appropriations and Transfers</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget</u>
Contingency	\$ 650,000	\$ 1,430,308	\$ 2,080,308	\$ -	\$ 2,080,308
Debt service	18,394,603	(615,003)	17,779,600	17,779,600	-
Total expenditures	<u>166,066,202</u>	<u>(87,278)</u>	<u>165,978,924</u>	<u>163,340,623</u>	<u>2,638,301</u>
Other financing uses					
Transfers out					
Capital projects funds	<u>559,000</u>	<u>250,986</u>	<u>809,986</u>	<u>809,986</u>	<u>-</u>
Total expenditures and other financing uses	<u>166,625,202</u>	<u>163,708</u>	<u>166,788,910</u>	<u>164,150,609</u>	<u>2,638,301</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(631,453)</u>	<u>\$ (631,453)</u>

(Concluded)

Town of New Canaan, Connecticut

Notes to Required Supplementary Information
For the Year Ended June 30, 2024

Budgets and Budgetary Accounting

The General Fund and Sewer District Fund (a nonmajor special revenue fund) have legally adopted annual budgets.

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.

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.

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.

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary basis - RSI 1A	\$ 162,220,278	\$ 163,340,623
State teachers' retirement on behalf amount	16,064,487	16,064,487
State teachers' OPEB on behalf amount	218,606	218,606
Prior year encumbrances liquidated in the current year	-	331,570
Other funds (Schedule 2)	<u>24,479</u>	<u>8,726</u>
GAAP basis - Exhibit D	<u>\$ 178,527,850</u>	<u>\$ 179,964,012</u>

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability										
Service cost	\$ 2,534,625	\$ 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
Interest	9,819,121	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
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	(8,769,019)	(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)
Net change in total pension liability	3,584,727	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
Total pension liability - July 1	149,992,729	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
Total pension liability - June 30 (a)	<u>\$ 153,577,456</u>	<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>
Plan fiduciary net position										
Contributions - employer	\$ 207,649	\$ 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
Contributions - member	781,661	760,324	681,824	671,072	644,825	605,533	580,656	524,182	420,349	321,443
Net investment income (loss)	20,342,362	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
Benefit payments, including refunds of member contributions	(8,769,019)	(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)
Administration	(165,745)	(201,917)	(74,336)	(147,591)	(101,921)	(145,730)	(24,235)	(87,966)	(91,972)	(107,428)
Net change in plan fiduciary net position	12,396,908	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)
Plan fiduciary net position - July 1	158,991,097	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
Plan fiduciary net position - June 30 (b)	<u>\$ 171,388,005</u>	<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>
Net pension asset - June 30 (a)-(b)	<u>\$ (17,810,549)</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	<u>111.60%</u>	<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>
Covered payroll	<u>\$ 21,166,115</u>	<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>
Net pension asset as a percentage of covered payroll	<u>(84.15%)</u>	<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>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>13.08%</u>	<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>

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>2024</u>	<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>
Actuarially determined contributions	\$ 207,649	\$ 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
Contributions in relation to the actuarially determined contribution	<u>207,649</u>	<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>
Contribution excess (deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,566,469)</u>
Covered payroll	<u>\$ 21,166,115</u>	<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>
Contributions as a percentage of covered payroll	<u>0.98%</u>	<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>

Town of New Canaan, Connecticut

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016	July 1, 2015	July 1, 2015	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%	2.50%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	1.25%
Salary increases	0.00% - 7.00%	0.00% - 7.00%	0.00% - 7.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return (net)	6.625%	6.625%	6.75%	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%
Mortality rate	Pub-2010 projected to the valuation date with Scale MP-2021	Pub-2010 projected to the valuation date with Scale MP-2021	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

Town of New Canaan, Connecticut
Required Supplementary Information
Connecticut State Teachers' Retirement System
Last Ten Years

	<u>2024</u>	<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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	173,134,943	185,994,081	151,798,901	191,663,228	173,702,347	133,934,601	131,580,108	138,818,045	107,096,225	98,988,998
Total	\$ 173,134,943	\$ 185,994,081	\$ 151,798,901	\$ 191,663,228	\$ 173,702,347	\$ 133,934,601	\$ 131,580,108	\$ 138,818,045	\$ 107,096,225	\$ 98,988,998
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the collective total pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%
<u>Schedule of Contributions</u>										
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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.

Town of New Canaan, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	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	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	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	Level percent of salary, closed
Remaining amortization period (equivalent single period)	26.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years	23.4 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	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	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	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	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%	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	RP-2000 Combined Mortality Table projected 19 years using scale AA

Town of New Canaan, Connecticut

**Required Supplementary Information
Other Post-Employment Benefit (OPEB) Plan
Last Eight Years (1)**

	<u>2024</u>	<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	\$ 714,005	\$ 856,292	\$ 831,351	\$ 872,802	\$ 849,438	\$ 850,205	\$ 823,444	\$ 797,524
Interest	1,560,742	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	1,022,202	(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	(2,154,969)	(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	1,141,980	(1,374,401)	1,284,418	282,769	1,266,006	(5,468,294)	1,308,933	1,287,605
OPEB liability - July 1	23,904,570	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>\$ 25,046,550</u>	<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	\$ 2,045,145	\$ 2,124,640	\$ 2,798,140	\$ 2,143,236	\$ 1,676,872	\$ 1,589,891	\$ 1,575,960	\$ 1,740,902
Contributions - member	44,003	44,892	41,401	41,215	40,233	39,351	37,581	36,375
Contributions - TRB subsidy	109,824	111,039	74,152	82,670	84,483	96,261	106,527	59,579
Net investment income (loss)	2,565,516	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	(2,154,969)	(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	2,609,519	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	19,389,044	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)	21,998,563	19,389,044	17,474,382	20,033,276	15,425,925	14,075,006	12,666,302	11,265,162
Net OPEB liability - June 30 (a)-(b)	<u>\$ 3,047,987</u>	<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>87.83%</u>	<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>\$ 61,897,362</u>	<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>4.92%</u>	<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>13.22%</u>	<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>2024</u>	<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>
Actuarially determined contributions	\$ 864,982	\$ 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
Contributions in relation to the actuarially determined contribution	<u>2,045,145</u>	<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>
Contribution excess (deficiency)	<u>\$ 1,180,163</u>	<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>
Covered payroll	<u>\$ 61,897,362</u>	<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>
Contributions as a percentage of covered payroll	<u>3.30%</u>	<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>

Town of New Canaan, Connecticut

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2022	July 1, 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
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage of salary	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
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%	2.50%	2.75%	2.75%	2.75%	2.75%	N/A	N/A	N/A
Healthcare inflation rate - initial	6.50%	6.50%	6.50%	7.25%	7.25%	7.75%	7.75%	N/A	N/A	N/A
Healthcare inflation rate - ultimate	4.50%	4.50%	4.50%	4.75%	4.75%	7.75%	7.75%	N/A	N/A	N/A
Salary increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	N/A	N/A	N/A
Investment rate of return (net)	6.625%	6.625%	6.75%	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	7.00%
Mortality rate	PUB-2010 projected to the valuation date with Scale MP-2021 for projections for the current year.	PUB-2010 projected to the valuation date with Scale MP-2021 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.

N/A - Not available

Town of New Canaan, Connecticut
Required Supplementary Information
Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Seven Years (3)

	<u>2024</u>	<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>	<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>16,220,367</u>	<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>\$ 16,220,367</u>	<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>	<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>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>11.92%</u>	<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>	<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>
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>

(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 Seven Years (1)

	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	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	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	Entry age
Amortization method	Level percentage, open	Level percentage, closed	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	30 years
Asset valuation method	Fair value	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%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	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	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	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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

APPENDIX B – FORM OF OPINION OF BOND COUNSEL

March __, 2025

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 2025 (the “Bonds”) dated March __, 2025. 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 __, 2025, 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 2025, dated March __, 2025 (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 __, 2025, 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, 2025) 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
\$34,995,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025
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 4, 2025

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$34,995,000 General Obligation Bonds, Issue of 2025, dated March 18, 2025 (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>
2026	2,050,000	2036	1,565,000
2027	2,050,000	2037	1,565,000
2028	2,050,000	2038	1,565,000
2029	2,050,000	2039	1,565,000
2030	2,045,000	2040	1,565,000
2031	1,990,000	2041	1,395,000
2032	1,990,000	2042	1,395,000
2033	1,990,000	2043	1,395,000
2034	1,990,000	2044	1,395,000
2035	1,990,000	2045	1,395,000

The Bonds will bear interest commencing September 15, 2025 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, 2031 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on and after March 15, 2031, at any time, in whole or in part, and by lot withing a maturity, in such amounts and in such order of maturity as the Issuer may determine at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
March 15, 2031 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.

Record 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 \$34,995,000 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 three (3) 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; Right to Cancel; 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 cancel or 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 cancellation or 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 **PARITY®** prospective electronic bidder 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 18, 2025 (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 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:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) 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 25, 2025 (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, he 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 25, 2025

ATTACHMENT A

ISSUE PRICE CERTIFICATE

(If Competitive Sale Rule Met)

TOWN OF NEW CANAAN, CONNECTICUT
\$ _____ GENERAL OBLIGATION BONDS, ISSUE OF 2025
Dated March 18, 2025

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 18, 2025, 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 4, 2025 (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 ____, 2025.

[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>
2026	2,050,000		
2027	2,050,000		
2028	2,050,000		
2029	2,050,000		
2030	2,045,000		
2031	1,990,000		
2032	1,990,000		
2033	1,990,000		
2034	1,990,000		
2035	1,990,000		
2036	1,565,000		
2037	1,565,000		
2038	1,565,000		
2039	1,565,000		
2040	1,565,000		
2041	1,395,000		
2042	1,395,000		
2043	1,395,000		
2044	1,395,000		
2045	1,395,000		

Schedule B to Issue Price Certificate